THE LIVING AGE

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for June, 1932

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THE LIVING AGE was established by E. Littell, in Boston, Massachusetts, May, 1844. It was first known as LITTELL'S LIVING AGE, succeeding *Littell's Museum of Foreign Literature*, which had been previously published in Philadelphia for more than twenty years. In a prepublication announcement of LITTELL'S LIVING AGE, in 1844, Mr. Littell said: 'The steamship has brought Europe, Asia, and Africa into our neighborhood; and will greatly multiply our connections, as Merchants, Travelers, and Politicians, with all parts of the world: *so that much more than ever, it now becomes every intelligent American to be informed of the condition and changes of foreign countries.*'

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THE GUIDE POST

SO MANY momentous changes are in the air that we hesitate to select any one subject and give it predominance over all others by placing a discussion of it at the head of our table of contents. Also, we are fortunate in having discovered in Emmanuel Berl, a French disciple of Karl Marx, a keen and entertaining critic of our civilization as a whole. His interpretation of the fashions of 1932 is dedicated to Paul Morand, who has won international fame as an interpreter of the 1920's but whose last book, *1900*, reviewed in our columns some months ago, described an era to which, in M. Berl's opinion, we now look back with longing.

MORE than once we have referred to the rumor that France not only has given her tacit support to Japan's attack on Manchuria but is also planning to make war on Soviet Russia. That this rumor has substantial foundation is indicated by Dr. Legendre's article on 'The Menace of Red Asia.' Its author, who is familiar with the Far East at first hand, calls upon England, Holland, France, Japan, and Italy to pool their armed forces and information services from India to the Pacific. It is improbable, to say the least, that his suggestions will be accepted, for he is speaking not for his country's government but for the ultra-patriotic François Coty's *Figaro*. None the less, his virtual demand for war on the Soviet Union and his failure to mention the United States in connection with his scheme are equally significant, representing as they do an opinion that is shared by the great French industrialists, munition makers, and army officers to whom *Le Figaro* appeals.

SIR ARTHUR SALTER'S new book, *Recovery*, has caused the greatest international sensation since John Maynard Keynes brought out his *Economic Consequences of the Peace*. As most of our readers are probably aware, Sir Arthur, who has long been associated with the League of Nations, has drawn up a workable programme for world recovery along orderly lines. His views have been almost universally indorsed, and the chief doubt expressed is whether the leading statesmen and financiers will have sense enough to adopt them in time. But the *New Statesman and Nation*, independent as ever and inclined, too, toward radical policies, insists that Sir Arthur has ignored the millions of working people in every country on whose efforts any real recovery must ultimately depend.

DR. M. J. BONN'S name is familiar to our readers as one of the leading liberal economists in Germany. Although it is a foregone conclusion that reparations and war debts have already become dead letters, we felt that we could hardly let the month when the Lausanne Conference meets pass by without one last authoritative word on the subject.

NOW that Wall Street and Congress have had a chance to study each other in action, they are both filled with misgivings. The result has been a new dip in security prices and new rumors that America will go off the gold standard. As usual these reports have caused serious repercussions abroad, and we present three typical articles—one French, one English, and one German—on 'The Great American Decline.' Pierre Martignan, writing in the authoritative *Europe Nouvelle*, traces the development of the American crisis. Then comes A. Emil Davies, financial editor of the *Week-end Review*. Although his paper has repeatedly advised its readers to sell America short and has prophesied a major crash in this country, Mr. Davies does not take the flight from the dollar too seriously. He does not pretend to know the domestic situation, but from a financial point of view he believes that our currency is strong enough to withstand anything short of a crisis of confidence among Americans themselves. The third article, from the radical *Weltbühne*

(*Continued on page 375*)

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THE LIVING AGE

Founded by E. Littell

In 1844

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The World Over

TWO NOTABLE contributions to the solution of the world's currency problems have been made by J. M. Keynes and O. T. Falk, a London financier who, like Mr. Keynes, helped to represent the British Treasury at the Versailles Conference. In a memorandum entitled 'British Economic Policy,' Mr. Falk points out that the depreciated British pound and the tariff have 'inevitably tended to force gold prices to a still lower level and to cause a further deterioration in the general condition of insolvency, inequilibrium, business losses, and unemployment abroad, while at best we have achieved the stabilization and perhaps only the temporary stabilization of our depressed *status quo*.' His remedy is for the Bank of England to inflate prices by broadening the basis of credit. The danger to-day is no longer extreme inflation but continued deflation, and England still controls enough markets to be able to check deflation without waiting for help from America or France.

Mr. Keynes, in an article entitled 'Reflections on the Sterling Exchange' in *Lloyds Bank Review*, urges much the same course and makes the specific suggestion that the pound be stabilized at between $3.40 and $3.50. His suggestions for achieving stability include the purchase of foreign exchange and gold by the Bank of England in behalf of the Treasury and the weekly announcement of a pegged upper limit at which gold would be bought. 'Invincible forces,' says Mr. Keynes, are destroying 'the unbalanced creditor positions' of France and the United States, forces that should depreciate the dollar and the franc in terms of non-gold countries. It has always been Mr. Keynes's contention that England did not go off gold but that gold went off sterling, and the recent fluctuations of the

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pound in terms of dollars show that even the country with the largest gold supply in the world has not got a stable currency.

ENGLAND'S constantly rising tariff wall has led to the belief that she has joined the international movement to strangle international trade. Such is not the case, for England could not possibly maintain herself unless she imported raw materials and exported foreign goods. She has not raised her tariffs to shut out foreign goods, but to increase her revenues, to help certain industries, and, above all, to develop a planned economic system, national and international. Because the present House of Commons is predominantly Conservative, the word 'plan' is never used—it savors too much of Russia—and since the Conservatives have been demanding a protective tariff for years, it is only natural that their first efforts at planning should take this form. Several statements made in the course of the last parliamentary debate on import duties showed that a protective tariff in the American sense is not contemplated. 'The tariff should not be exploited.' 'Profiteering in the shelter of the tariff should be rigorously cut down.' 'Industries will be required to prove their worth if they are to continue in enjoyment of any tariff given them.'

Had a Liberal or Labor Government been in office the word 'planning' would have been heard more frequently, though the actual policy could not have been very different. England's task is quite clear—she must regain a specific commercial and financial supremacy in her Empire and in Scandinavia, South America, and many parts of Western Europe and the Orient. To accomplish this end, Neville Chamberlain as Chancellor of the Exchequer has taken the power to borrow up to £150,000,000 for an Exchange Stabilization Fund that will be used to regulate the internal value of the pound sterling. It is thus hoped that England will be able to offer certain countries a stable currency with a substantially higher price level than the gold-standard countries can provide, plus preferential tariffs. This will not be the first time that a Conservative government has made a progressive move, and Americans in particular should be warned against assuming that British Tories are antiquated mossbacks.

THE failings of England's present leaders do not lie in their political, economic, or financial abilities. It is the budget not the tariff that reveals the real dangers ahead. Although accounts seem to balance—and there is reason to fear that they may not—a general decline in the standard of living is inevitable and this indicates a serious lack of social imagination. The *Week-end Review*, which believes that the capitalist system is better equipped than socialism to overcome the present crisis, does feel, however, that the outcome is not certain:—

> What is quite clear is that the twentieth-century democratic claim to a rising standard of living will not be abandoned on account of a temporary check. If the

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> National Government is content to apply the orthodox remedies of a world that has ceased to exist, and to make itself the mouthpiece of those who hold that Great Britain must even give up her present standard of living because the present system cannot support it, some not very distant election will return in unmistakable terms the answer, 'So much the worse for the present system.'

It then goes on to state that

> we did not need a demonstration that if the Churchill-Snowden abuses were all removed private capitalism could still make ends meet only by forcing down the standard of living further than its champions dare specify. Yet that simple demonstration is all Mr. Chamberlain has given us. Like Lord Snowden last year, he has framed a budget that cannot be repeated. The steeply declining yield of direct taxation and the drain on capital show plainly that the sober 'doctor's budget' is as far beyond the patient's strength as the reckless recipes that he swallowed on the advice of Lord Snowden and Mr. Churchill before he realized that he was ill.

The specific features of the budget that caused these objections to be raised were the addition of new burdens of taxation and the failure to lighten the present load in any quarter. The *Economist* concluded its leading editorial, 'A Grim Budget,' with the statement that the budget 'conveyed the uncomfortable impression that policy was lacking.'

EDOUARD HERRIOT, leader of the Radical Socialist Party, was interviewed by *Le Matin* on the eve of the elections that have made him the dominating figure in the new Chamber of Deputies. He announced that his followers combined the nationalism of the Tardieu Republicans with the socialism of Léon Blum's left-wing group. He attributed the difficulties of Germany and England to the disappearance of the Democratic and Liberal parties in those two countries, parties that correspond closely to his own. He criticized Tardieu's supporters for not being sufficiently concerned about social welfare and Blum's for not being patriotic. Since nationalism in France means the domination of the heavy industries, the munition factories, and the Bank of France, and since French socialism means disarmament, revision of the Versailles Treaty, high taxation of the rich, and unemployment benefits, M. Herriot will have his hands full if he lives up to his word and tries to carry out two mutually exclusive policies at once.

Nor is his record reassuring. From 1924 to 1928 he had about the same support in the Chamber that he enjoys to-day, yet within two years the franc dropped to two cents and was on its way to join the German mark when Poincaré assumed office. At present the domestic situation is more serious than it was then and it is rapidly growing worse, so that even with the best intentions in the world M. Herriot will soon find himself in hotter water than ever. Furthermore, his troubles at home will assail him at a time when M. Briand is no longer available to pursue the enlightened foreign policy that the rest of the world had hoped for as a result of Tardieu's downfall.

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THE plurality, amounting almost to a majority, that the National Socialists won in the Prussian Landtag elections confirms August Thalheimer's analysis of the presidential returns. Elsewhere in this issue, Herr Thalheimer, a leader of the German Communist opposition, insists that the movement led by Hitler is still increasing and that it therefore represents the most serious existing threat to the Weimar Constitution. The orthodox German Communists, on the other hand, are more concerned with the Social Democrats, whom they constantly attack for supporting Brüning and Hindenburg. As *Pravda*, official organ of the Communist Party in Moscow, says, 'The Communists set themselves the task of proving to the masses with all possible clarity that Social Democracy is the chief obstacle to the destruction of capitalism and in the fight against Fascist dictatorship.'

This dispute between the two Communist groups throws a good deal of light on the present alignment in Germany. The official 'party line' is that Hitler is a mere puppet, that his ideas are absurd, and that his arrival in power would speedily be followed by an internal collapse or a foreign war, either of which would create a revolutionary situation nearly as acute as that of Russia in 1917 and therefore well adapted to a Communist *coup d'état*. But what the Communists fear is that many Social Democrats would support Hitler just as they now support Brüning and that this support might make his régime a partial success. Therefore they concentrate their fire on the Social Democrats in the hope of destroying their discipline.

The Communist opposition, on the other hand, takes the Hitler movement with the utmost seriousness and regards it as a national—even an international—menace. For National Socialism is simply the German form of Fascism, and Fascism, though originally an Italian movement, now exists in many forms in many countries. It might be defined as the abolition of democratic parliamentary procedure for the purpose of protecting private property. Patriotism is the religion of Fascism and therefore any of its acts are sacred, even a certain amount of outright expropriation. No doubt the German Communists are correct in their belief that some Social Democrats will turn Fascist, but it is by no means certain that the arrival of open Fascism in Germany—it already exists in the form of the Emergency Decrees—would usher in a proletarian revolution on the Russian model. And both the presidential and the Prussian elections show that the swing to Fascism continues.

WICKHAM STEED, former editor of the London *Times* and long a correspondent for that paper in Central Europe, attributes the failure of the Four-Power Danubian Conference to the London Naval Treaty of April 1930. Here is his argument as expounded in the *Sunday Times* of London:—

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> What has all along been plain to those who have eyes to see and minds to remember is now confessed in Berlin. The Austro-German customs-union plan of March 1931 was really meant to punish Italy for having seemed ready to accept Mr. Arthur Henderson's formula for a naval agreement between Great Britain, France, and Italy, so as to complete the London Naval Treaty of April 1930 for the limitation of naval armaments. Germany had long counted on Italy to support the German claim for equality in armaments at the Geneva Disarmament Conference this year. Yet here was Italy agreeing with France on sea, and perhaps ready to agree with her on land.
>
> This took place on March 1, 1931. Less than three weeks later, the Austro-German customs union bombshell was thrown. Politically it wounded, and presently helped to kill, M. Briand, the best friend Germany ever had in France. Italy was frightened at the idea of seeing Austria absorbed by Germany. Flaws were found in Mr. Henderson's Franco-Italian-British naval agreement, which fell through. International confidence was destroyed, and the European financial and economic crisis began.

He says that Germany still hopes to dominate Central Europe from Scandinavia to Sicily, but that any serious attempt to carry out such a scheme would lead to war. In the interests of peace England must therefore work with France for some kind of agreement among the states along the Danube, and above all Germany must be made to understand that she cannot base any hopes on antagonizing France and England. All of which is excellent political diplomacy and probably represents the line that English policy will follow. But where is Germany to sell her manufactured goods and buy her raw materials? Can she, as Mr. Steed hopes, work out some agreement with France?

THE first year of the Spanish Republic finds it strongly established under the leadership of the little clique who made the revolution. Although President Alcalá Zamora went over into the opposition last October because of his loyalty to the Roman Catholic Church, his services for the Republic were considered so important that the Cortes accepted his leadership, and he preferred to take office rather than lead a Republican Catholic Opposition. Don Manuel Azaña, the Prime Minister, has acquired such an ascendency that he could easily become dictator, a move that would receive a good deal of support because many people now believe that only a strong government can put through the policies of the Republic. Pío Baroja, the eminent novelist, now declares himself 'more enemy of the Monarchy than enthusiast for the Republic' and the opposition taunts the present Government with having to enforce a 'Law for the Defense of the Republic' which many Republicans regard as too severe. The danger to the existing Republic does not, however, come from the Monarchists but from the syndicalists, anarchists, and Communists, who, though divided among themselves, are winning more and more support among the workers. It should not be forgotten that the present bourgeois Republic owes its existence to a general strike on the part of the workers and that these workers are now being driven by unemployment into the more radical camps. The

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two chief guarantees against a second and proletarian revolution in Spain are the existence of a strong police force, which has been strengthened still further in the past twelve months, and the natural lethargy of the Spanish people. Already the Republic has two accomplishments to its credit—the extension of the ballot to five million women and the virtual overthrow of the Roman Catholic Church in Spain. The most significant news that has come out of the country in months is that during Holy Week in Seville the traditional religious celebrations were virtually abandoned and the chief event was a syndicalist mass meeting attended by women as well as men.

KING ALEXANDER'S attempt to liquidate the dictatorship in Yugoslavia may lead him to the same fate that Alfonso of Spain encountered under similar circumstances. Just as Spain was governed by General Berenguer, so Yugoslavia has been subjected to the military dictatorship of General Zivkovich, who was finally succeeded by Premier Marinkovich. What King Alexander hopes is that this accomplished statesman, who has long been foreign minister, will be able to restore constitutional government and at the same time preserve the dynasty. Demonstrations against the former dictatorship by the students of Belgrade helped to convince the King that there had been too much repression, and he no doubt remembered the important preliminary rôle that intellectuals often play in revolutionary situations. For the Belgrade students have not only proclaimed themselves republicans but they have their professors behind them, and Alexander, an enlightened and constitutional monarch, is only too eager to do away with a dictatorship of which he never wholly approved—provided, of course, he keeps his throne. Marinkovich, who advised the dictatorship in the first place, is a man of wealth and integrity. If he cannot strengthen the monarchy, nobody can. But his task will not be easy. The world depression is particularly severe in southeastern Europe and there are two other difficulties besides. The job holders under the dictatorship, though unpopular with the general public, are trying to hang on to their positions, and the Croatian question, which the dictatorship never attempted to solve, remains acute. Since Marinkovich himself is a Serb, even he may not be able to solve this most difficult of all Yugoslavia's problems.

SOFIA has been full of rumors that a triple alliance is to be established between Bulgaria, Greece, and Turkey. France will be the chief obstacle to such an agreement, for the aim of French policy is to reduce the Balkans to such a complete state of chaos that they will accept French dictatorship and forswear all connection with Germany. In regard to the Bulgar-Turk-Greek alliance, Yugoslavia has so far prevented any agreement from being reached by protracting the dispute between Bulgaria and Greece in regard to Bulgarian reparations on the one hand and Greek debts to former

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Bulgarian citizens of Macedonia on the other. The World Court has tried to settle this matter without success, and the Bulgarians are suspicious of their cleverer neighbors to the south. Yet the idea of the triple alliance is excellent. For one thing, it would bring Turkey into the League of Nations, because one member of the alliance would always have a seat on the League Council, just as the three members of the Little Entente rotate at the present time. The economic advantages are still more evident, because the chances of some customs union would be strengthened after political cooperation had been assured. The territory of these three states covers ground that used to be held entirely by the Turks, and it is only natural that Turkey should be more eager than the other two nations to have her influence restored in a field that she once dominated.

EXPERIENCE with the first Five-Year Plan has revealed three major defects that the second Five-Year Plan hopes to correct and avoid. First, it is impossible to call the first plan either a success or a failure because it exceeded expectations in some respects and fell behind in others. The second plan must therefore establish a schedule that can be more fully executed or else by the time another half dozen years have elapsed Russia will have developed in lopsided fashion. So far, almost any construction has been welcome, but in the future it will be increasingly necessary for all work to proceed at a uniform rate. A second and more serious defect in the first plan is the low productivity of labor. The Russians had hoped to increase the productivity of labor 110 per cent; actually it has increased only 34 per cent, the steel output per worker being 300 tons a year, as compared with 620 tons in Germany and 1,300 in the United States. This condition, however, is largely due to the fact that unskilled peasants have been given work in order to eliminate unemployment. The third shortcoming of the plan is the failure of the three basic industries—railways, coal, and iron—to attain the figures that had been set for them. Coal production was 30 per cent behind schedule in 1931 and only increased 18 per cent over 1930. Iron production is now running 28 per cent behind schedule, and only 50,000 of the 70,000 freight cars that should have been built have actually been completed. Yet these accomplishments are remarkable. According to the German Institute of Economic Research, Russia's industrial production now equals that of Germany and is exceeded only by that of the United States. Here are the figures showing the per cent of total industrial goods supplied by the chief nations at the beginning of 1931: United States, 48.8 per cent; Germany, 11.9 per cent; Russia, 11.4 per cent; England, 10.9 per cent; France, 9.7 per cent. And in 1928 the Soviet proportion was only 5.5 per cent.

TEN years have passed since Russia and Germany horrified the Genoa Conference by concluding the Rapallo Treaty, which wiped out war claims,

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restored diplomatic relations, and granted each other most-favored-nation tariff treatment. Not unnaturally Russia looks back on this event with complete satisfaction, for it marked the return of that country to world affairs and diplomatic recognition by other great powers followed. But the German connection has also possessed intrinsic value. N. Kornew, writing in the *Moskauer Rundschau*, describes the Rapallo Treaty as 'the one treaty that has retained all its original force over a period of ten years.' He then goes on to explain that the two chief victims of the War had to join hands, though he wishes that bourgeois Germany would take proletarian Russia as a model and attain real freedom. The German press is less enthusiastic. When Rathenau as foreign minister signed the Rapallo Treaty he had his eye chiefly on new markets for German goods. He was not thinking politically, but economically, too much so perhaps. Trade with Russia has brought German industry some real benefits, but the exchange of goods between the two countries has not been in Germany's favor on the whole. Then, too, the treaty with Russia has antagonized France and has thus made it difficult for Germany to come to any agreement with Western Europe. Since the Russians counted on a revolution in Germany long ago, even their rejoicings should be taken with a grain of salt, especially now that the National Socialist Party is increasing rapidly while the German Communist Party is almost standing still. Up to now, the Russians have been the chief beneficiaries and it is hard to see what advantages Germany will gain in the near future.

WITH the Russian and Japanese War Offices both admitting that troops are manœuvring and garrisons being strengthened to a war-time basis along the Manchurian frontier, the possibility of major hostilities in the Far East increases. When Japan first moved into Manchuria, Russia was in no position to resist encroachment, but in the past few months the situation has altered. Until recently the world press has insisted that Russia was too weak to fight Japan and would endure almost any humiliation, even the seizure of the Chinese Eastern Railway, without breaking the peace. And early in March when *Izvestia*, the government daily in Moscow, officially stated that the Soviet Union was making preparations for a defensive war, not a single foreign paper commented on the sensational announcement. But now that more troops are massing the silence has been broken and military experts are admitting that the Red army, though only half the size of the old Imperial army, is actually stronger and that the tractors, steel mills, and railways that have been built under the Five-Year Plan make Russia a formidable power. It is even stated that Russia's strength is so great that it is a guarantee of peace and has cowed Japan into meekness. But the fact remains that Russia does not really want war with Japan, as her leaders are convinced that war in the Far East would at once be followed by an attack in the West from Poland and Rumania. The Communist press insists that munitions are being shipped in increasing quanti-

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ties to the states bordering on Russia and there is a considerable element in France—see Dr. Legendre's article on 'The Menace of Red Asia' in this connection—that openly demands war on the Soviet Union.

ANOTHER reason why Russia does not want war with Japan is that she hopes for collapse behind the lines. The activities of the Japanese Fascists indicate that conditions must be disturbing not only among the masses but among the taxpayers. The army, in threatening 'to curb a violent reactionary movement' and in announcing that it may be 'compelled' to usurp the function of the police in certain municipalities, gives the outside world a clearer idea of the true state of affairs than can be gained from censored news dispatches. There are many reasons to believe that collapse in Japan is imminent. No great power except Germany has been more seriously affected by the world crisis, and its leaders had no choice but to extend their sway to the Asiatic continent. When England occupied a corresponding position a century ago, with an increasing population, a surplus of manufactured goods, and a shortage of raw materials, she developed her Empire in every possible direction, and other industrial nations, Germany, France, and the United States, have followed the same procedure. But Japanese industrialism did not reach maturity until all the unexploited territory in the world was occupied by nations that can no longer afford to countenance the methods that Japan now uses, although these methods are identical with their own of a generation or two ago. Thus Japan is faced to-day by a world that is hostile not only to her aims but to her methods.

MAD as the world we live in is, South Africa seems to have attained a lunacy quite its own. Although the chief gold-producing country in the world, it has had the greatest difficulty in procuring enough of its own outstanding product to remain on the gold standard, and its attempts to do so have brought it to the verge of ruin. Wages have been cut, men have been thrown out of work, the local parliament has been in a frenzy, General Smuts cabled all the way from England that South Africa must follow the mother country off the gold standard, but General Hertzog, the Nationalist prime minister, stuck to his guns, and when Smuts came back and stumped the country Hertzog blamed him for destroying confidence in South Africa and thus wrecking its prosperity. The financial situation has now become so alarming that the Nationalist Government may dissolve, although it enjoys a large majority and the prospect of two more years in office.

Nor is the gold problem the only cause of vexation. In 1929 the existing government was returned to office on a frankly anti-Negro platform. Since that time the franchise has been withheld from all but 15,000 blacks, while the white vote has been increased from 400,000 to 900,000 by the

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granting of woman suffrage. Negro settlers who have squatted on empty land that no white man can use are to be forced to render ninety days' service a year or pay an annual tax of five pounds. Flogging of blacks is to be legalized because jails are overcrowded. These oppressors of the Negro are nationalistic anti-British whites who feel that they are being exploited by the English and therefore resent the attempts of London to make them seem unmerciful and incapable of self-government.

AUSTRALIA will not move more than halfway toward the mother country in its efforts to make the Imperial Conference at Ottawa a success. Mr. J. G. Latham, attorney general for the Commonwealth and minister for external affairs, who used to be leader of the National opposition before the present United Australia Party was formed, made some important statements in London while on his way to the Disarmament Conference. What he emphasized was that the question of dominion status is much less important than that of economic coöperation:—

> There has never been any doubt as to our views of the desirability of economic coöperation between the sister nations of the Empire. Just because of Australia's certainty of her status as a nation within the Empire we have taken a more prominent part in the discussion of Empire economic problems than in the discussion of the exact definition of the meaning of dominion status. Australia has also, through her preferential system, done considerably more to help British trade than has any other Dominion save New Zealand. It is important for people in Great Britain to realize that those Dominions which have in the past given the largest amount of preferential assistance to trade may find it a little more difficult than others to apply new methods of preference.

He then pointed out that during 1929–1930 Australian imports from Great Britain were valued at £48,000,000 and that more than half of these imports were admitted duty free because of their country of origin. In respect to total volume of trade, over 90 per cent of Great Britain's exports to Australia benefited from preferential tariffs. These facts are especially distasteful to Lords Beaverbrook and Rothermere, who are constantly clamoring for Empire free trade and high tariffs against the rest of the world but who forget that the Dominions are already granting English goods special favors. It is a question how much preference England will give to dominion products, though there is much less doubt about the willingness of the present Cabinet to discriminate to the hilt against strictly foreign goods.

WRITING in the London *Spectator*, F. E. Wilkinson, who served as British consul general in Mukden from 1921 to 1928, takes Japan to task for its Manchurian policy. In answer to the Japanese complaints that Manchuria was built up with Japanese money and that it has been suffering from inefficient Chinese administration, he says:—

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> Now it is obvious that the Mukden authorities could not have willfully antagonized the only foreign nation of which the Chinese stand in genuine dread without having had, from their point of view, the strongest reasons for taking up so dangerous an attitude. It may be added, too, that the charges made against them will not all of them bear investigation by an impartial person. The belief, for instance, which has been spread by the Japanese that Manchuria was misgoverned by the Chinese is quite mistaken. As compared with the rest of China, its administration for the past ten years at least has been a model one. It has enjoyed almost continuous peace, and greater security, lighter taxation, and more freedom of trade than any other of the Chinese provinces. Nor can the Chinese be justly reproached for having shown no sense of obligation to the Japanese for having saved the territory from annexation by Russia. Whether or not the Russians had any such purpose in view they regard as questionable, but they have never been under any illusion as to the nature of Japanese ambitions in Manchuria.

Mr. Wilkinson then denies the Japanese the full credit that they have been claiming for having built up Manchuria. He says that the Chinese are solely responsible for the agricultural development on which the prosperity of the country rests and that the Japanese have merely built up an efficient railway and made some money out of coal mines. Japan's reasonable claims against the Chinese in Manchuria have to do with brigandage, interference with the South Manchuria Railway, and the refusal of the Chinese authorities to allow certain legitimate Japanese enterprises to develop. We quote Mr. Wilkinson not only because he is familiar with the situation at first hand but because it is a real novelty to hear a British official criticize so strongly the behavior of his country's former ally.

FEW nations have been more seriously hit by the world crisis than Chile. Soon after the War its nitrate exports began declining because German scientists discovered how to make nitrogen artificially. More recently the collapse of the copper market ruined its other chief industry, for Chile is the second largest copper-producing country in the world. With not enough farm land to supply food for its inhabitants, Chile has therefore been the scene of more attempted revolutions during the past year than any other South American state, and now a series of volcanic eruptions has added to its difficulties. The first indications of trouble began last July, when President Ibañez was forced to resign and was succeeded by a military junta. In September the navy mutinied when its pay was cut 30 per cent. In December the left-wing radicals engaged in street fighting. In January came a general strike. In February a conspiracy was discovered in the air service, and in April a new Cabinet assumed office. The abandonment of the gold standard, due to the shrinkage of the gold reserves from 600 million pesos to 150 million pesos, has compelled the adoption of strict currency laws that have aroused widespread protest. Since the conservative element has been in office the whole time, the radical parties have profited from the discontent, but even a Communist revolution could not make the barren soil of the country bring forth food.

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A young French essayist of rising reputation defines the various styles of 1932, sartorial, literary, and moral. The essay was dedicated to Paul Morand as the outstanding spokesman of an era that has recently come to a permanent close.

Fashions *of* 1932

By EMMANUEL BERL

Translated from the *Nouvelles Littéraires*
Paris Literary Weekly

WHAT pompous German historians call the *Zeitgeist* is, in my opinion, simply fashion. What is fashionable to-day? In what period are we living? What series of images are we fabricating for the moving pictures of the future? What is 1932?

First, we must look at clothes. Language itself invites us to do so because the word fashion means what one wears. The woman of to-day has no silhouette. Before the War I was familiar with the *Ballet Russe* style, which reveled in the rediscovery of color. Women tried to look like Scheherazade, who was said to have been reincarnated in the person of Madame de Noailles. Poiret made women's coats heavy. His memoirs have just reminded us of that fabulous period when the dressmaker refused to dress his clients unless they had enough deference and faith. The crisis was far away.

After the Armistice there was only one fashion, one style. Everything was modeled on the aviator—flappers, the decorative arts, Paul Morand's rapid short stories, girls with flat breasts who looked like *de luxe* torpedoes. Women tried to resemble the young men who had died. Triumphant Sodom obsessed them. Bobbed hair, tight necks, and short skirts were the order of the day. Finally women freed themselves from all constraint and shook their bodies. The Negro epoch had arrived.

What may we expect of them to-day? Skirts that are short at six o'clock in the afternoon suddenly grow long as soon as the first cocktail is drunk. The same person who goes in for nudism at Juan-les-Pins imitates La Païva two hours later. Already we see the Second Empire returning in the form of higher waist lines, long skirts, and little hats, but it is an ironic return. Women are not taken in by their long trains, which they keep tripping over because they are not used to them. Nor are they carried away by the little

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hats that modistes put on their heads, but which refuse to stay in place. Women used to regard their disguises simply as a mode of attire. Now they regard their mode of attire as a kind of disguise. They don't know how to appear in evening dress without a smile that seems to say, 'You see, I too might be able . . .' They conjugate in the conditional tense what portions of elegance the crisis has left them. Of course, certain things are worn and certain things are not worn. This year's dress is not the dress of two years ago, but the truth is that there is no such thing as fashion now because women do not adhere to their styles. At the time of the Directoire hiding their legs seemed to them counter-revolutionary, anti-romantic. At the time of Louis Philippe it was unheard-of for them to show their ankles.

How about to-day? They no longer know what they should show or what they should hide. They hesitate between long and short skirts, between bobbed and long hair, between rounded figures and straight lines. They say that they must become fat again. They let their dressmakers emphasize their breasts, but as soon as their scales show that they have gained a few ounces they starve themselves madly. They are pushed in one direction by the demands of the modern world and by badly educated men, and are impelled the other way by homesickness for happier and richer epochs when men who were both stronger and more polite forced them, to the rhythm of madrigals, to resemble fragile, heavy greenhouse flowers. They wear little Second Empire hats like those in which their grandmothers concealed the miniature of a handsome officer. But the little hats have lost their secret and the shoulders below them are not plump and drooping like the shoulders of Eugénie. On the contrary, their long coats show how thin these modern women are. In this network of contradictions even the mannequins have lost the assurance of unbreakable dolls that they used to possess. They paint their fingernails every color, including gold, silver, and even mother-of-pearl. They fasten imitation eyelashes to eyelids above which the usual eyebrows have been plucked away. Are they trying to look like boys, or like negresses, or like the ladies of Pisanello? The scene is full of changing images. There is no such thing as a pretty 1932 woman. There is only an incoherent confusion of necessity and nostalgia.

DECORATION is scarcely less confused than dressmaking. There is the same adherence to the styles of 1919 and the same nostalgia for the past. We are again seeing genre paintings, old-fashioned clocks with pendulums, and Chinese vases. Furniture, which used to be so proud of its nakedness, is now draped in Louis XIV coverings. The various Persian exhibitions reveal a repressed need for voluptuous decoration, for women with almond eyes, moist mouths, and swelling breasts who lean against pale-blue latticework. Several generals gave the President of the Republic some fetishes on the first of January, and journalists assert that Louis Marin, the Nationalist leader, likes to surround himself with Negro statues. Yet Joséphine Baker has to sing songs about Tongking to keep going.

Custom has even imposed this general sweetening on music. Melody is coming back. The tom-tom is disappearing. People want tender airs, pretty dreams, flowering lilacs. The kind of song that jazz defeated is now engaged in a victorious counter-offensive. Dance records are no longer outselling records of vocal music, and although songs of every kind are pros-

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pering—Montmartre songs, comic songs, and realistic songs—the sentimental ones are the most popular.

Just as sentimental songs dominate music, so the waltz dominates dancing. We find ourselves here in the presence of a world-wide movement. The radio brings us waltz tunes from everywhere. Whether one tunes in on London, Paris, Amsterdam, or Berlin, it is always a waltz that comes over the air, for waltzes have become the theme songs of international operettas that are produced as talking pictures. The dance halls play six waltzes for every tune of any other kind. The Charleston is dead. The waltz has overflowed the dance floor.

It has led to a revival of German music. Schumann and Schubert have reappeared because of the favor Strauss enjoys. English music, which Fragson made popular before the War and which was revived after the War by *No, No, Nanette*, is disappearing. The disturbing expansion of Negro music seems to have been temporarily checked. Viennese music, on the other hand, exercises such prestige that it has resurrected Vienna in the world of fantasy as a city of pleasure. The disastrous situation in Austria, the failure of the Credit-Anstalt Bank, the danger of famine and civil war cannot prevail against the idea that the country of the waltz must be a country of happiness. The nostalgia of Austrian emigrants to Hollywood has proved contagious and everyone in the world is being drawn to the Prater. The movie, *Congress Dances*, was set in the Vienna of 1815, *The Smiling Lieutenant* in the Vienna of 1910, and *The Merry Widow*, *Waltz Dream*, and *Viennese Nights* in wartime Vienna. Cafés and carriages are Viennese. So are Lilian Harvey and Jeanette MacDonald. Even the Americans are beginning to regret the little princes who used to be vassals of Emperor Francis Joseph.

Vienna in space and the period of 1890 to 1900 in time provide the setting from the past that seems to enjoy the greatest poetic value in 1932, for in that time and place people lived well. The memory of the years since 1904 is still too clear to seem Utopian. How can we love 1904, the year when the Russo-Japanese War occurred, or 1905, the year of the Algeciras Conference? M. Jules Romains has reminded us elsewhere that 1908 was notable for the Casablanca desertions and the Bulgaria, Bosnia, and Herzegovina affairs. In 1911 the Agadir crisis occurred. The fact is that by 1900 the good old days had already begun to vanish.

This return to 1900 is a world-wide phenomenon. In England Noel Coward's play, *Cavalcade*, has had an immense success. In it the soldiers of Queen Victoria are seen marching by. The public is intoxicated with retrospection. In our own country Morand's book entitled *1900* has had enormous sales. Is it an *amende honorable*, or an attempt at vaccination, or merely a case of historical curiosity? But why should curiosity centre on this period and not on any other, and why should Morand happen to be the man to feel it? Is n't this all happening at a time when the economic crisis, universal impoverishment, the despair of men and of the cities they live in are inflicting a severe setback on the æsthetics and morals of prosperity which were those of Morand? He reproaches 1900 for the things that seem to hurt him most. He calls it the epoch of dirty feet and foolishness, these two defects being the ones that undoubtedly displease him most. But would he detest 1900 so much if he were not afraid of seeing it reborn?

PAUL VALÉRY has announced that the post-war period is over. This is not true politically or economically. Once

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more the problem of reparations is to be discussed at Lausanne. The Danubian problem has just been aired in London. In other words, the Treaty of Versailles and the Treaty of Saint-Germain are still in force. People who lack clear-sightedness even regard the world crisis as the result of the imperfect liquidation of the War. No, the post-war period remains, for the nations have not yet recovered from the shock that they received, which is still inscribed in their budget deficits and in our nervous systems.

But from a certain more spiritual point of view M. Valéry is not mistaken. Though the post-war period may not be over, the hopes that it brought forth have failed. Some of them have just been interred with the body of Briand. I think that Morand is burying some of his own in his book about 1900. When future historians have assigned to their just places *Ouvert la nuit*, *Fermé la nuit*, and *L'Europe galante*, collections of stories that dominate the 1920's in respect to their sociological if not their æsthetic value, we shall see that certain frenzied hopes were concealed under Morand's frosting. He hoped for a more brotherly world linked closer together by airplanes, and for a new kind of man made more intelligent by travel, cured of romantic diseases of the heart by a more lucid spirit and a better trained will. He hoped that our perceptions would expand because our spirits would develop more violent tastes for all kinds of things. How many countries there would be to visit, how many women there would be to enjoy, how many sensations to experience. Automobiles would go faster and faster. More and more people would enjoy greater and greater comforts. Of course, one would have to be rich and able to rationalize. It was necessary to admire New York.

All this is over. Morand himself does n't believe in it any more and even the Americans are talking about the simple life. Nobody knows what destiny humanity is approaching, but we certainly do not seem to be drawing near to a condition of greater happiness. Men no longer put their trust in machines that they do not know how to control. Morand recognizes that 1900 was probably happier than 1932, though it was more ugly. Our problem is to discover whether we can carry along that minimum of happiness which the last century consigned to us or whether we shall have to drop it as we move along. Nineteenth-century happiness, which was so great, seems heavy to us now. It is the sadness of the universe that has changed Morand from a joyful traveler into an historian. But how could he remain a traveler? There are no more lovely journeys to take. In the first place, all countries are gloomy and, besides, the movies and the magazines are exhausting everything picturesque at a terrific speed. We are so accustomed to Hawaiian dancers and Tahitian divers that they hold no more surprises for us than our own municipal police.

Hence the return to populism. In my opinion there is no longer any need to discuss the social, political, or revolutionary pretensions of this form of proletarian literature. If populism is to be defined by the subjects that it discusses, we should have to include the Goncourt Academy. Should we, then, define it, as some people try to do, on the basis of the social origins of populist authors? That is a dangerous and difficult task, as well as a childish one. Populism seems to me to mark the end of a period of geographic literature, which, having completed its circle, is finding picturesqueness in what is nearest at hand, in the things that literature had most forgotten. When you have gone around the world three times, California astonishes you less than a country fair. Moreover,

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the people conserve picturesqueness better than the ruling classes, who are subject to the code of the international sleeping car. Realistic films like *Sous les toits de Paris* are capitalizing the apparent permanence of everyday affairs.

WE NOW come to literature. What is the literary fashion? Bernard Grasset has announced, not without a good deal of hubbub, that the novel has come to an end. Other people say that the essay is dead. But to judge from the output of publishing houses both literary forms seem to be doing well. There is, however, one form of literature that is weak—poetry. The decline in poetic production during the last three years is astonishing. After the War poetry even invaded the novel. Most young writers began by publishing a collection of poems, and poetic influences spread to all of literature. But now it seems the hall mark of a period and a world that have vanished to prefer the abstract to the concrete, the dream to reality, poetic elements to psychological elements. The books that we liked best in 1920 are unreadable to-day, and even those who foresaw this reaction are astonished and distressed that it has become so powerful. From all sides we hear a call to order. The great majority of writers are novelists, and most novelists are obsessed with the family, with inheritance. *Saint-Saturnin*, *Cercle de famille*, *Sabine*, *Le Nœud de vipères*—when will the characters in these books come into their own and how much will they inherit?

Such questions are sadly comic in the period that we are living through. Every fortnight brings us, together with the news of some big bankruptcy, a novel dealing with the permanence and transmission of property. *Le Nœud de vipères*, appearing just at the time of the Kreuger suicide, is the most typical of these books. On the very first page are the words, 'The securities are there.' Which ones? And what investments would not make the old man drawing up his will seem just as absurd as his anxious heirs? 'I never make mistakes in matters of investment,' this character announces. There is something astonishing for you. What did he buy? Artificial silk, Royal Dutch, rubber stock?

It is true that this strange alchemist made money even on a vineyard that he bought for thirty thousand francs and that he would not sell for a million, doubtless because wine is so rare and so much in demand nowadays! It is of course understood that this criticism is no reflection on the literary value of M. Mauriac's novel. It simply indicates the regrets that give rise to his assumptions. While the wealth in safe-deposit vaults is dissolving, the choir of novelists repeats, 'One sou and one sou make two sous,' though all the time one sou and one sou are tending more and more to add up to nothing at all. We have gone a long way from the cry, 'Families, I hate you,' that was heard in *Nourritures terrestres*. The slogan nowadays is 'Families, I love you.' In short, the literary fashion is a return to the style of Paul Bourget.

Since moral order demands æsthetic order, we are witnessing a succession of French compositions. Specific topics are dealt with, generally successfully, for the 1932 output of novels seems excellent, but the topics are always specific. This tendency is most apparent in second-rate books. It seems that the author, like a candidate for a bachelor's degree, hesitates between several subjects and chooses for his theme Racine's letter to Boileau or Lamartine's letter to Sainte-Beuve, basing his selection on the preference that he believes his examiner cherishes. Some novels are composed in the Eng-

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lish style, some in the French, that being the difference between Maurois's *Cercle de famille* and Mauriac's *Nœud de vipères*. Whether the characters are revealed over a long period of time or are seized at a dramatic moment depends on whether the author is more inclined to accept Spencer's theory of evolution or Descartes's emphasis on the importance of the instant. But in both cases the novelist tries to maintain the greatest possible proximity between himself and his characters. The quality that strikes me most in the 1932 novel is that it always presents a series of intense studies. The author is careful not to take a long-range view, not to acquire perspective. He wants to believe that he is intense and he wants others to believe that he is, too.

THIS process tends to become boring when it is carried too far. Now that Paul Bourget has been revived there will be a return to Anatole France. Indeed, *Le Cercle de famille* indicates that this has already happened, and it has caused a lot of people to reread *Le Lys rouge*. But Maurois differs from France in that France did not take his characters very seriously, whereas M. Maurois takes his with irremediable seriousness. He does not even make fun of Madame Choin. Our authors have studied the English novel so assiduously that they cannot continue the French tradition. They are using magnifying glasses instead of telescopes. Presently they will have to return to their natural tendency to see far rather than closely.

In spite of the triumph of *Lady Chatterley's Lover* I am convinced that erotic literature has seen its day. The battle has been won and now one can write whatever one pleases in this field. Brutality of expression does not signify any courage on the part of the author who resorts to it. In fact, it diminishes one's desire to imitate him. Moreover, men are weary of sexual liberty and women even more so. Crude language is rarely propitious to love and it cannot amount to much unless it is suppressed by law. It has therefore lost its power to shock people and has not gained any value as pathos. The Marquis de Sade has returned to obscurity. Freud is tranquilly entering into his glory, and I believe that I can discern on the horizon a great rising wave of sentimentality. For we have been more severe on irony and sentimentality than on any other two things.

We need once again books about women whom one can love. We have seen too many women whom the author says we cannot love. Behind all the family troubles that the writers of 1932 depict is it so difficult to discover a little girl concealed behind a rosebush? As Gide says in his *Œdipe*, 'We always demand authorization from literature.' We have had plenty of authorization in the last ten years, but we lack authorization to strike a note of tenderness. The intoxication of the Armistice is over. Despair in the face of the crisis is widespread. Men are going to talk of happiness again, and the less they possess it the more they will discuss it.

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Three timely treatises on the 'Three R's' of international affairs—Russia's place in the Orient, the possibility of world recovery, and reparations.

Russia, Recovery, *and* Reparations

AN INTERNATIONAL SYMPOSIUM

I. THE MENACE OF RED ASIA

By DR. A. LEGENDRE

Translated from *Le Figaro*, Paris Nationalist Daily

IT IS a grave hour for colonizing nations, especially since no solidarity unites them, not even France and England. India, profoundly stirred, is perhaps on the eve of upheaval. China is plunged in anarchy, and Communist peasant uprisings are occurring in all the rich central provinces. Indo-China and the East Indies are conspiring and agitating. In short, revolt against us is shaking nearly all of Asia, and Red Moscow leads the dance. The Bolshevik is everywhere, with an activity that is all the more dangerous because it is so strongly organized, and he is using methods against which the Great Powers seem to be helpless. Of course, these powers have always defended themselves feebly and without a trace of mutual agreement. In a word, they have never stopped playing with the Soviet fire.

It was Japan that recently uncovered the principal threads of the subversive network that Moscow has spun over Asia. The Japanese were stupefied by the power of this organization, which takes the form of a mobile group of Russians reinforced by native agents—Indians, Annamites, Chinese, and so on—who are in constant touch with each other and who are continually establishing cells in India, Malaysia, Indo-China, China, and Japan. They also have European accomplices in many provinces, some of them officials and all of them associated with the Third International.

This mobile group of Russians, which has been selected from among the cleverest members of the Comintern, constantly menaces the peace of Asia, for it represents the animating and coordinating force necessary to arouse the as yet amorphous masses of Asia to evil doing. This mobile group, or flying squad, as the English in Shanghai call it, can be defeated and gradually re-

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duced to nothingness only if the colonial powers form a block against it in a counter attack that takes the form of a day by day fight on the same ground that Moscow occupies. The Great Powers have temporized far too long.

Think of the stakes involved. We are in danger of losing nearly all the markets of Asia, or, at any rate, of losing so many of them that Europe's whole economic structure would be affected. Also remember the economic possibilities and the dynamic political force that would be represented by an alliance of all the great colonial lands in Asia and Africa evolving under the protection of the powers that have given them their present value. Can we hesitate to defend by every means these territories which have already been fertilized by our blood and money and which can enjoy peace and prosperity only under our ægis?

What is the best means of defense? No doubt a mutual agreement among the colonial powers based on incontestable common interests, since we are all equally endangered. If England, for instance, were to collapse, we should all collapse with her, since she is the keystone of the colonial arch.

How can we organize? First of all, on the spot, that is, in Asia. England, France, Holland, and Japan should at once agree to create a common information service whose various groups, each working in its special territory, would be in constant touch with each other, forming a flying squad like that of Moscow and extending from India to Japan. This information service, generously financed, since money is more necessary in this part of the world than anywhere else, would include many native auxiliary groups, Indians, Malayans, Annamites, Chinese, and Japanese. A centralized bureau of information would be able every week to take a wide view of the real situation over an enormous territory, which each of us sees to-day only in isolated parts. In this fashion we should also be able to take necessary steps rapidly. Of course, the principal agents of this intercolonial service would have to know thoroughly the language of the zone in which they were operating.

So much for the defensive, peaceful arm, which we should employ without delay, since it would be most useful in those countries where the masses ask only to live in peace and therefore distrust all forces of disorder. If these masses felt that they were being protected by an organization that struck quickly and forcefully, the protector's task in his colony would be greatly aided. But we must foresee everything because too many natives have been and still are misled, not so much by the Bolshevik as by certain professional politicians and dogmatists who advocate emancipation, noisy redeemers who think that they have a monopoly of altruism and that they are the only people in the world defending those who are supposed to be oppressed. These agents are dangerous because they are attracting an appreciable number of disciples within the colonial service.

We must also prepare for the worst, that is, real trouble in our possessions, an uprising. I shall say nothing about Africa, which is less threatened, and shall speak only of Asia, which is in a state of effervescence. One can reduce such uprisings only by force and, of course, the interested powers have troops on the spot and warships in the Indian and Pacific Oceans. But if the revolt covered a wide area, we should have to appeal to the mother countries, which would find a distant campaign difficult, whereas if the powers arrived at an agreement to provide each other with aid everything would be simplified. For instance, the contingents on

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the spot, English, Dutch, and French, would form a little composite army with a single leader such as existed during the Great War, and it would go to the aid of any colony in trouble. It would have no difficulty in finding the transport facilities, supplies, and battleships that it needed on the spot.

In case of grave danger Japan, which has powerful fighting forces, would come to the aid of England in India, of France in Indo-China, of Holland in Java. The very announcement that such an organization was founded would at once have the most calming effect on all fomenters of trouble, both native and foreign. Of course, there are obstacles to bringing such an organization about, but there is no serious difficulty. There is none of that irreducible conflict of feelings, doctrines, and interests that characterizes the pan-European project.

To sum up. An alliance of colonial powers, including Italy, would be the surest method of maintaining peace in the colonies. It would also stand guard over the great maritime sea routes that nourish Europe. It would watch over the markets that we need, such as that of China. An alliance of colonial powers would combat the present state of anarchy, which is ruinous to China and ourselves. It would also help to stabilize Europe. Faced with Russia, which, in collusion with impenitent Germany, is organizing a redoubtable alliance against us and creating a Red pan-Asia, can we colonial powers hesitate to unite our forces? Let us take good care not to delegate our powers to the League of Nations, whose sterility in action has been made all too evident by the Manchurian affair, where so much ignorance and incomprehension have been revealed.

II. Recovery?

By a London Editor

From the *New Statesman and Nation*, London Independent Weekly of the Left

THIS is Year XIII of the new post-war era, or Year XV if we date the new era as beginning with the Russian Revolution rather than the Treaty of Versailles. The distinction is important; for behind it lies the entire question of the policy which, in every country in the world, sensible and world-patriotic men and women ought to be pursuing. Are we to try to build up yet again the shattered world system that the negotiators of Versailles thought they were replacing on firm and lasting foundations? Or are we, with differences based on varying national cultures and political and economic conditions, to set out to construct a radically new world order comparable with that which the Russians are struggling to build up within their vast and underdeveloped territory?

Three years ago, most people—including most Socialists—outside Russia were in little doubt about the answer to this problem, and even held that the larger part of the work of reconstruction had been achieved. The devastated areas had been rebuilt; Europe had more than regained its pre-war standard of life, and was advancing fast in production and trade; nearly all the world was back on the gold standard; and even the menacing movement of economic nationalism seemed to have been held successfully in check since the Geneva Economic Conference of 1927.

But now, while most policies are still conceived in terms of reconstructing the old order rather than setting out to replace it by a new one, the doubts at the back of men's minds are far more

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formidable and insistent. There is a growing hesitancy about the assertions that the present slump is only the trough of a cyclical movement, and that we must touch bottom some time. For there is a real doubt whether the self-corrective tendencies of the slump within the capitalist order can come into play soon enough or strongly enough to avert a complete breakdown of the economic life of a number of countries; and it is increasingly realized that the slump is not purely an affair of economics, but involves countless political complications that the leading countries of the world seem exceedingly reluctant even to begin to straighten out.

But, despite these doubts, national policies, everywhere except in Russia, are still based on the attempt to reconstruct rather than to replace. And it is in most countries still extraordinarily difficult to think or plan in any other terms. It is manifest that the great bulk of the populations of the leading countries—of Great Britain most of all—do not want revolution, and are even unprepared for any great and sudden change of economic and political system. What is most surprising, in face of the world situation, is the slow headway Communism makes in the great majority of countries, and still more the failure of Socialist parties to move at all decisively to the left. Patching-up is still the approved basis of national policies; and most of the world's Socialists are giving active or passive support to attempts by the middle parties to patch up the capitalist order.

Can these efforts succeed? It is obvious that they are not succeeding at present, and that many of the patches are putting fresh obstacles in the way of world recovery. For the patching-up is proceeding for the most part on purely national lines, and its most obvious contributions are higher and higher tariffs, more and more drastic restrictions on imports and foreign exchanges, and a general scuttle for national shelter from the world storm. Attempts to face the problem on international lines have so far all broken down. The burdens of war debts and reparations remain unmitigated and increasing as gold prices fall; the Locarno and Kellogg Pacts and the Covenant of the League are regarded with far more skepticism than hope by public opinion as well as by the governments that they bind. The Disarmament Conference has opened in a discouraging way at Geneva. The gold problem is unsettled, and the United States tariff unmodified. Great Britain has indeed made a temporary escape from the largely artificial financial crisis of last year. But her economic position is still highly insecure, especially in face of the continued threat of collapse and default among the countries that are her debtors. No one is really confident that June will see a settlement of the reparations problem. No one in his senses expects that British prosperity can be securely reëstablished by a protective tariff.

Yet, if we had to think of Great Britain alone, there would be no doubt that the reconstruction of capitalism is still a possible policy. But we cannot think of Great Britain alone, since the serious threats to the survival of the capitalist order come from elsewhere. If British capitalism collapses—as distinct from merely passing through another crisis—it will be because capitalism has already broken down elsewhere, and thus made untenable the position of the British capitalist, with his extreme dependence on the world market.

THE occasion of these thoughts is the publication of Sir Arthur Salter's *Recovery*, the most important study of world economic problems since *The*

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Economic Consequences of the Peace. Sir Arthur Salter has come back to England after a long period of service under the League of Nations, and he went to Geneva with a great reputation based on his work as a British administrator during the War. He knows from A to Z everything that has happened in international politics and economics since the League was set up. He is exceedingly clear-headed and has the power and courage to say in plain language exactly what he means. He really possesses an international mind and, while he remains English in his fundamental outlook, can see things as they appear to Frenchmen and Germans and Americans—to national and political opinion in all the countries with whose representatives he has been brought constantly into contact. All, that is, except the Russians. Of the very existence of a Russian point of view, capable of influencing the world, he seems scarcely conscious.

Sir Arthur Salter's book is by far the most complete, cogent, and sensible programme that has yet been produced for the reconstruction of world capitalism. It is far-reaching and goes down to fundamentals, and yet it everywhere outlines policies that nations as they are might conceivably be persuaded to accept. It is full of proposals that are not the proposals Sir Arthur Salter would like to make, but steps toward them compatible with the present condition of national policy and opinion. Not universal free trade, but gradual and mutual lowering of tariffs and modifications of commercial restrictions; not disarmament, but gradual and agreed reductions; not even cancellation of war debts and reparations, but only a drastic scaling down of both, and of other international debts with which they are inextricably bound up.

It is all extremely sensible and persuasive. Yet, when the entire policy has been outlined, it provokes serious doubts. There are such a number of sensible things that each country is called upon to do, and to do quickly; such a number of proposals, each acceptable in itself, and yet in their cumulative effect highly unpleasant to a host of powerful vested interests and prejudices. Can a world that has so busily for years past been doing most of the wrong things possibly be persuaded to do so very many of the right things all at once? And, even if a start is made along the right course, can progress be rapid enough, or clear enough in its beneficial results, to avert catastrophe and convert public opinion in the various countries from the pursuit of inconsistent and mutually destructive national ends?

Moreover, even if the thing can be done, is the reconstruction of world capitalism, with the liability to a recurrence of crises like the present, really what we want, or the best alternative to world chaos and dissolution at which we can aim? It is remarkable how little Sir Arthur Salter has to say, all through his book, about the position and the aspirations of the working classes in the various countries. He has an acute perception of the dangers of international war and economic chaos; but of the importance and relevance of class antagonisms he says nothing at all.

His world is a world of nation-states, each conceived as based on complete internal unity, or at most suffering from internal dissensions that are a barrier to effective international coöperation. This picture, however, is as far from the truth as the Communist vision of a world working class struggling in unity to break its chains, while wholly regardless of national loyalties and traditions of value. A world reconstructed in terms of national capitalism will fail utterly to resolve class antagonism. It may also be a world sharply divided, with the contagious example of

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Russia as a perpetual menace to the stability of its reconstructed order.

Is there not, then, some third policy that is neither a rebuilding of capitalism nor revolutionary Communism in the Russian sense? Sir Arthur Salter means his reconstructed capitalism to be something widely different from capitalism as it used to be. He wants more public control, more national and international planning, a League of Nations greatly strengthened in the economic as well as in the political sphere. His vision is rather like that of our British advocates of national planning on a reformed capitalist basis, translated into international terms. But he would leave the essential structure of capitalism intact.

This is where we disagree with him, while agreeing with the great majority of the specific international measures he suggests. We still believe that it is possible to make large, positive advances toward Socialism, or even Communism, in this and other countries without revolution, in any sense in which revolution implies violence or civil war. And we doubt if the countries of the world will be able to take the required steps—even the minimum steps—for setting their economic relations in order until they have infused a large element of Socialism into their national systems, and so equipped themselves with the means of controlling effectively their national economic affairs.

We do not believe that capitalist countries suffering internally from sharp class conflicts of their own will be able to build up a satisfactory system of mutual coöperation one with another. That is why measures, each individually reasonable and practicable, look impracticable as soon as they are presented as cumulative elements in a world programme of reform. For there is a limit to the number of patches that an old garment can be made to stand.

III. Reparations Once Again

By Dr. M. J. Bonn

Translated from the *Berliner Tageblatt*, Berlin Liberal Daily

During the past year and a half great progress has been made in the reparation problem. The other side now concedes that Germany's ability to pay is the deciding factor in the liquidation of her debts. Moreover, even France admits that during the world crisis Germany cannot pay reparations. The basic disagreement that at present divides Germany and France is one of temperament. The German people are naturally pessimistic; they believe that they can never resume payments unless the world's political situation is fundamentally reformed. The French people, however, are optimistic, so optimistic that they not only count on future payments but even expect ultimately to receive the payments that were put off this year.

Their optimism, however, lacks any real basis. It would be convincing only if it included somewhere a programme for overcoming the crisis. Since Germany is loaded down with 28 billion marks of foreign debts, reparation payments can come only out of a large export surplus. The so-called invisible exports (investments abroad, shipping profits, and so on) are quite insufficient even to cover interest payments on private loans, not to mention their repayment, which, to a certain extent, must be dealt with when the present moratorium on private loans is finally settled. Germany has forced her exports

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tremendously. The favorable trade balance of 2,960 million marks for the year 1931 shows a considerable increase over that of 1930, which was 1,800 million marks—an increase that seems especially large in view of the drop in prices.

The forced decline of domestic prices, wages, and rents was for the purpose of maintaining Germany's ability to export to the world market, but the tariff policies of other countries will prevent this policy from achieving any further success. January 1932 saw the monthly trade balance drop to 117 million marks, as against 248 million marks in December and 396 million marks in October 1931, and tariff and currency policies of other countries show clearly enough that this stoppage will continue for the present, especially now that countries with protective tariffs can no longer find a safety valve in the free-trade policy of England and of the Dominions. For England has now become a country with high protective tariff walls, at least against finished products. The decline of the pound is equivalent to a 30 per cent tariff; there is a 10 per cent general tariff and tariffs as high as 100 per cent against excessive imports, as well as special tariffs and preferential tariffs. This removal of free competition may lead to the demolition of other tariff walls, but there are as yet no signs that Germany's two principal creditors, France and, indirectly, the United States, will accept certain German exports that are barred from other countries in payment of German obligations. With these limitations and handicaps it is impossible to increase either world production or export trade.

If France cannot open the way to a new constructive trade policy for Germany she has only one possibility left, to loan Germany the payments that cannot now be raised and to hope for a better future. That is what was done under the Dawes Plan, when Germany paid 8 billions in reparations but at the same time assumed additional foreign obligations to the extent of 20 billion marks. These debts were accepted in order to develop German industry and to increase exports. They proved that the payment of 8 billion marks to reparation creditors was possible only because 20 billions were lent by other creditors. For France to reproach Germany with an intent to deceive shows a naïve misconception of the true state of affairs. Nationalist fanatics in Germany may have thought it their duty to deceive the French reparation creditors. But the reparation creditors were paid only because money had been borrowed from neutral private creditors at high interest rates, and the only point of deceiving these private creditors would have been to set them against France and the United States. As, however, most of the private creditors live in the United States, this device would have been rather awkward.

THE Dawes Plan clearly proves that under the circumstances which existed then Germany was able to make her payments only because she was lent twice as much money as she had to pay. Nor has the fact that the Young Plan payments are at best 20 to 25 per cent below those of the Dawes Plan changed matters fundamentally. In the long run these payments, too, can be made only by means of outside loans. Whoever strives for the resumption of reparations must bring about the resumption of outside loans.

Theoretically such loans are possible; actually there is no reason to suppose that they will be made. In France, nobody seems to care to loan any appreciable sum to German industry, although with a little discrimination and with the low rate of exchange

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there ought to be a good chance for profits. At present France has only a very small share in the private loans to Germany. Her one important industrial and financial stake there consists of her reparation claims, and this stake is very risky as long as the present situation continues. Of course, changing conditions might improve matters, but if improvement were brought about by private loans from France, the total French stake in Germany would increase. The more France believes in the reëstablishment of the Young Plan, the more willing French capitalists will be to extend private credits again. But individual Frenchmen prefer to keep their money, even at the risk of losing reparation payments.

It is not very probable that the capitalists of other countries will feel optimistic when the French do not. They were optimistic enough to loan large sums under the Dawes Plan, but the question of priority between reparations and their own claims which arose at the time of the standstill agreement alarmed them greatly. As long as private investments are being endangered by political moves, foreign capitalists will try to liquidate former investments with as little loss as possible and to avoid new ones. Conflicts and interpretations of the rights of the different creditors are useful in the movement of international capital only when they increase security.

Just now there is little difference between the judgments of pessimistic Germans and optimistic French. Germany believes that only a miracle can improve the industrial situation, and only the followers of Hitler believe that an economic miracle can occur in the near future. On the French side the people are not disposed to put much confidence in the results of this kind of miracle. And since nobody is willing, for reasons easy to understand, to put into motion a mechanism that will bring improvement without a miracle, all hope of improvement must be abandoned or a miracle must occur.

France, moreover, is profoundly uneasy because Germany is unwilling as well as unable to pay. From a practical standpoint it is not important whether a debtor is willing or unwilling to pay, provided he is unable to pay: that is a moral rather than a financial consideration. Protected by her inability to pay, Germany would possibly be wiser, from a diplomatic standpoint, to announce her willingness to pay. The French therefore ought to welcome the honesty of Germany's attitude with praise rather than with rebuke. As a matter of fact such honesty speaks for itself. It is the nature of every war indemnity—and the reparations are partly a war indemnity—for the loser to satisfy the financial claims of the victor. Whether or not the loser was morally right or wrong during the war is of no consequence; when he has lost the war he must pay. The French paid the war debts of 1871 quickly and smoothly not because they believed they were morally in the wrong but because their defeat forced them to pay and they realized that they could regain their political freedom only by settling as soon as possible.

THE basic mistake in the original reparation arrangement lay in the ambiguous mixture of financial matters with moral questions that could not possibly be solved by payment or nonpayment. Moreover, the reparation agreements were drawn up in such a manner that a prompt settlement was impossible. Consequently, it was necessary to extend the payments over a long period, which makes them horribly complicated. According to the French a total of only 19,160 million marks has been paid, whereas according to the Germans the amount was 67,600

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million marks. This disagreement is not a simple matter of miscalculation, but proves how unfortunately the entire reparation agreement was drawn up. The important differences arise from the fact that the debtor has not been credited with all of the payments that he has made and that other payments have been reckoned solely in terms of the book profits of the creditor and not in terms of the loss to the debtor.

The taxpayers of the creditor powers experience, of course, only the advantages of receiving money from the debtor; they know nothing of his difficulties. The taxpayers of the debtor nation, on the other hand, base their view on the sacrifices they have made and measure their willingness to pay by the extent of their efforts. As a matter of fact, it is only natural that after fourteen years the Germans believe that they have done their duty and are tired of the whole business. Gratitude does not last long on the international money market. With great dexterity France came to an agreement with the Americans when her industry was at low ebb—an agreement that wiped out virtually 50 per cent of her debts, although these same American loans had contributed to France's recovery. Nevertheless, she thinks it unjust that she should have to pay back even 50 per cent of these previously contracted loans. She likes to stress the fact that no comparison can be drawn between inter-Allied debts and reparations. That is quite true. Payments arising from voluntary agreements between political friends ought to be much more binding morally than payments whose legal foundations rest on the pressure of bayonets.

If one were to view these matters from the standpoint of moral guilt and expiation one might argue differently. However, the members of a generation that has nothing whatever to do with past events cannot see things in this manner. We must view things from a common-sense angle. Treaties should of course be observed, but we must not forget that, in the last analysis, the taxpayers of the countries concerned are the signers of a treaty covering international debts, and that in this case they are not the same people who made the original Peace Treaty, but a new generation. International payments, no matter how legally binding, which burden a generation that neither profits from them nor took part in their creation will necessarily seem unfair to that generation, regardless of legal considerations.

As long as that is the case, these questions cannot be treated like legal claims in a civil suit. International law can be maintained whole and unbroken only if all parties concerned remember this change of generations.

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The spring collapse in the United States leads a Frenchman to describe our recent past, an Englishman to analyze the future of the dollar, and a German to blame it all on the Kreuger suicide.

The GREAT American Decline

AN INTERNATIONAL SYMPOSIUM

I. WHY AMERICA CRASHED

By PIERRE MARTIGNAN

Translated from *L'Europe Nouvelle*, Paris Foreign-Affairs Weekly

I FEEL it is difficult to discuss the American crisis without relating it to the more general phenomenon of the world economic crisis. For this reason I hope to be permitted to give an interpretation of the origin of the world crisis that may be somewhat schematic but that seems to me at least partially true.

During the War, that is for five years, Europe found itself almost completely unable to produce goods, though its power of consumption had not diminished. Before the War, 'Europe A,' as Francis Delaisi calls it, was one of the world's great industrial producers, whereas 'Europe B' and Russia were among the chief agricultural producers. The almost complete disappearance of these two sources of production made necessary the development of equivalent production somewhere else, as America quickly realized. Almost single-handed the United States replaced the output of European industry, while its agricultural products, together with those of Canada, the Argentine, and Australia, equaled what Europe B used to produce.

During the half dozen years that followed the War Europe continued to absorb almost all these goods, but by 1926 European production, both agricultural and industrial, had reconstituted itself and the only reason a tremendous crisis of overproduction did not occur in 1927 was because an exaggerated volume of credit had been created in New York, partly on the advice of the Bank of England. The crisis that broke in 1929 was much more serious on this account, though its origin seemed to be the one that Karl Marx described as lying behind almost every crisis—overproduction.

When we look at what has happened

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in the United States since 1915 we become amazed at the enormous adventure on which that immense country has embarked. Being still in debt to Europe when the War began, it did not have the means to develop its industries as circumstances required. Everything was therefore built up by an enormous inflation of credit, and this condition brought forth a theory that is only partially true—that credit creates capital.

The idea is simple. An organization creates credit, in this case the bank of emission, with the help of the state. This credit is used to build factories, to create industrial enterprises. The profits of these enterprises pay interest and finally pay back the original debt. In short, capital is created out of future profits. During the War, the money that could be made from selling goods to the Allies justified an immense expansion of credit that would have inevitably depreciated the currency under other circumstances.

The chief problem that the United States tried to solve at the end of the War was how to preserve its immense, exceptional profits. Could America withdraw from the international poker game and keep its winnings? On the one hand, it had to keep its huge production plant at work, and on the other it had to invest liquid capital without loss. Europe was impoverished and perhaps ruined. It therefore had to be given enough credit to remain an unwilling purchaser, as it had been during the War. Here was the origin of America's whole policy of foreign lending, which involved a very troublesome dilemma. Either Europe, by equipping itself, could resume its commercial position in the world and pay back its debts to America, only to find itself facing American economic competition, or America could develop its foreign markets by dumping goods abroad, protecting itself behind a constantly rising tariff wall, in which case Europe could not possibly pay its debts.

In 1925 England based the stabilization of its own currency on the adoption by most European nations of a special monetary system, the gold-exchange standard, which permitted England to give credit abroad without transferring gold. France stabilized the franc in 1926 and adopted this system provisionally, but it soon became obvious that world-wide inflation was resulting and early in 1927 France began buying gold in London. When the French monetary policy thus endangered the equilibrium of the English market London turned to New York to seek relief from its own congestion through a policy of cheap money. The Federal Reserve Bank yielded to English intervention, but only a small part of the credit that was created in this way was used to finance world trade. The lowering of the American discount rate was really the origin of a new credit inflation, the second that had occurred.

Finding no outlet in industry, which was already well equipped, the new credit flowed into the Stock Exchange, automatically raising the prices of stocks and thus summoning still more credit into existence. This continuous rise on the Stock Exchange, which became suddenly transformed into a huge gambling establishment, gave the illusion of prosperity by artificially increasing consumption and industrial production. During the boom period new enterprises multiplied and old businesses increased their capitalization, the extra capital being provided out of Stock Exchange profits. Thus credit inflation became Stock Exchange inflation in 1928, and one of the immediate consequences of this inflation was the overequipment of industry.

YET the crisis was not precipitated by exaggerated industrial development

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due to artificial credit. Agriculture was responsible, because the consumption of agricultural products is limited by the needs of humanity. In 1927 Russia appeared as a wheat-exporting country for the first time since the War, and in 1928 its exports of agricultural products increased considerably. The agricultural revival in Europe B and in Russia was the real cause of the Stock Exchange crisis of 1929. From the Stock Exchange the crisis slowly spread throughout the whole American economic system. During the first four months of 1930 American industry hardly slackened its rhythm of production, being influenced in this policy by the President and sustained by ever generous banks. But this nonsensical move, which ran directly counter to world trends, only served to weaken still further the economic structure, which finally found itself, after successive setbacks, in a position of unprecedented crisis that can be summarized as follows:—the prices of most raw materials and most securities had declined from forty to seventy per cent in value and there were about ten million unemployed. Of the numerous problems that such a dramatic situation created these three are specially notable: first, the agricultural situation; secondly, the labor situation; thirdly, the banking situation.

Everybody knows what the agricultural situation was. Enormous overproduction, encouraged by nonsensical credits such as the Farm Board provided, brought the price of wheat down from $1.20 in 1929 to forty cents in September 1931. At this rate, with wheat selling at less than its cost of production, the disease engendered its own remedy in the form of a great decrease in planting. If Russian exports do not amount to much this year, it will not be surprising for the price of wheat, which is already in the neighborhood of sixty cents, to rise to eighty.

As far as labor is concerned, it is remarkable that during the whole year of 1931 the average decline in wages was less than the decline in the cost of living. The result was a rise of about ten per cent in real wages, but these are beginning to decrease because of new wage cuts. A decline of ten or fifteen per cent in real wages might have a great effect on industrial profits and especially on the position of the railways. As soon as these enterprises can reduce their running expenses and resume interest payments on the capital invested in them, their bonds, which are the basis of most trust portfolios, savings-bank investments, and even private fortunes, will be revalorized and an important step will have been taken toward the financial reconstruction of the United States.

Finally, we approach the banking question. When we examine the status of all the banks in the United States at the end of June 1931, we cannot help recognizing that nearly sixty per cent of their assets were frozen, about twenty per cent in the form of portfolio securities, twenty per cent in loans based on securities, ten per cent in mortgage credits, and ten per cent in loans on stocks. To understand this almost tragic situation it should be explained that in the United States, unlike Europe, most credit is issued in the form of loans on securities, and that, during the last two years, the cheap money policy instigated by the American Administration encouraged banks to increase their portfolio securities in order to assure themselves of revenue. The catastrophic fall in security prices was accentuated by the pressing need on the part of banks to liquidate their holdings at all costs, and the result was that even the best securities were no longer easily negotiable. To be sure, the total American bank deposits, which amounted to about fifty-five billion dollars in 1929, have declined only

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about three billions, this decrease being due partly to hoarding and partly to the numerous bank failures. But these fifty-two billion that remain are far from liquid, as I have just shown. No wonder that, under these conditions, the Administration has made repeated efforts to extricate the banks from their catastrophic situation, which might lead to a complete arrest of business if panic occurred.

SINCE June 1931 the Administration has taken three main steps. First, in June 1931, came the Hoover Moratorium, a great international event that should have produced an undeniable psychological effect, causing the Stock Exchange to rise and thawing out forty per cent of the assets of the banks. But this measure failed. Then, in the beginning of October, the National Credit Corporation was created, a kind of charity organization of sound banks to aid those that had closed. Of the five hundred millions in credit that this corporation was allowed to create only one hundred and fifty millions have been used up to the present time. Finally came the big state superbank, the Reconstruction Finance Corporation, with two billion dollars at its disposition, obtained more or less directly by the issue of Treasury bonds. Without any doubt nearly all these bonds will be bought by banks that will promptly have them rediscounted by the Federal Reserve Banks in accordance with the new Glass-Steagall Bill. In short, the operations of the Reconstruction Finance Corporation will lead to an immense increase in the debt that the Federal Government owes to the banks of emission, which will be called upon to make most of the effort. This is no doubt an inflationary move and this explains why the position of the dollar has been in doubt.

The Federal Reserve Banks now possess some 1,300 million dollars in free gold, an amount that may be reduced by about six hundred million through withdrawals of foreign banks such as the Bank of France and the Bank for International Settlements. The whole question then is whether the seven hundred million gold dollars that remain and that would constitute a normal reserve in ordinary times will be enough to guarantee the future of the dollar. It is difficult to reply to this question with assurance. Nevertheless, the recent revival of the pound sterling has considerably strengthened the dollar, partly by the purchases of American currency made at the direction of the Bank of England to prevent sterling from rising still higher, partly by the repayment of American credits and the repurchase by London of a certain amount of these credits.

The truth is that America is working out an energetic policy that is undoubtedly full of uncertainty but that may succeed perfectly. The prices of raw materials and securities seem to have declined unreasonably. The situation reminds one of a solution that has been turned into a solid by the application of heat. The liquid portion, that is the credit, has evaporated and only the solid element remains, the framework of the economic system. If the heating process continues there is danger that the solid element will decompose and perhaps that the frying pan itself will crack. But if the economic body lends itself to the policy of credit injection, if business picks up and security values rise, this very rise in security values, regardless of the price of raw materials, will attract foreign capital to America and reinforce the dollar while frozen bank credits thaw out. If, on the other hand, panic invades people's minds and an exodus of foreign and American capital begins, if hoarding increases, then the dollar will be the sport of the elements.

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We find ourselves to-day at the beginning of the third period of inflation that the United States has entered upon since 1914. It is impossible to prophesy the issue but we can at any rate have confidence in the exceptionally rich and varied resources of that great country.

II. Flight from the Dollar

By A. Emil Davies

From the *Week-end Review*, London Independent Weekly of the Right

In January last, in exchange for an English pound, one could obtain only $3.36. On Easter Monday the exchange value of the pound was $3.83, so that within a few weeks the value of the pound had risen from the equivalent in gold of 13s. 9d. to 15s. 9d. This rise of 14 per cent in the value of the pound must not be taken as an indication that the position of this country has improved; it is rather the effect of rapidly growing apprehension as to the condition of affairs in America. It is a startling commentary upon present conditions that the principal world-creditor nation should be in such a parlous condition as to engender fears for its financial stability; yet such is the case. Large sums have to be remitted annually to that country in payment of interest on loans and dividends on the large American investments abroad.

These payments must be made in gold or goods, and, as France is the only country of any importance that has a surplus of gold with which it can pay, other debtors to America can pay only out of the proceeds of goods sold to the United States. As, however, American trade policy has been to prevent imports by means of high tariffs, her foreign trade is declining sharply, her exports for 1931 showing a decrease of nearly 40 per cent over those of the previous year; and, as her debtors are finding it necessary to restrict their imports, the prices of those staple commodities which the United States ships to other countries, such as wheat, cotton, and copper, continue to fall in price.

The internal position of the United States is steadily growing worse. The American Telephone and Telegraph Company, which boasts of being the biggest public-utility corporation in the world, has had to report for the first time in its history a decline in the number of subscribers. Even during so bad a year as 1930, its subscribers increased by 122,500, but in 1931, no less than 292,000 people found themselves compelled to give up the telephone, which, as is well known, is more of a necessity in America than on this side of the Atlantic. During the same year, the number of stockholders increased by 77,209, but the number of employees was reduced by 49,600. These figures are significant of what, it may be feared, is happening throughout the world, namely, that while the number of persons employed is decreasing, the number of those holding paper claims on the products of labor is increasing.

This worsening of conditions has been going on for some time, and does not explain the sudden weakening of confidence in the dollar. What appears to have happened, however, is that a number of these unfavorable factors have culminated at about the same time. Company reports covering the past year are now appearing, the figures leading to a reduction or passing of dividends, and the revenue returns show a startling decrease. How the

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American federal budget is made up may be seen from the 1931–32 estimates, which reckoned on $2,260,000,000 from income and profits tax, $612,000,000 from customs, and $676,000,000 from miscellaneous sources. For the current financial year, up to March 25, income-tax collections were only $848,000,000, as compared with $1,498,000,000 in the same period of 1931, which already was below normal. At the same date the government deficit was $1,842,000,000 as against $595,000,000 for the corresponding period a year ago. The country is faced by large budget deficits, that for this year being estimated at $1,241,000,000. The government proposals to meet the situation by taxation have had a stormy passage, and the political situation is such as to inspire distrust in the immediate future. To pander to the electors in view of the forthcoming presidential contest, many members of Congress are playing with the idea of issuing large amounts of paper currency for the purpose of completing the bonus payable to ex-soldiers. My own opinion is that a reasonable amount of inflation is what the world at present requires, but such talk does not create confidence in the currency, and there is no doubt that there is a good deal of selling of dollars in progress.

WHEN it comes, however, to forming an idea as to the quarters from which this flight from the dollar takes place, it is a matter of great difficulty. British citizens and institutions, having come to the conclusion that the dollar is more likely to fall than to rise, are probably repatriating the balance of their funds invested in the United States. French capitalists, taking the view that the pound is safer than the dollar, may be transferring funds from New York to London. American authorities state that they know the magnitude of foreign deposits and short-term claims, and that these are now of manageable dimensions. What cannot be determined is the extent of speculation, and also the degree to which Americans themselves are transferring part of their wealth to other countries.

To show how involved this whole business is, let us take the case of a British importer of American cotton or other produce who has to make a payment in dollars some months hence. To avoid the risk of a loss on exchange he buys forward dollars at a fixed rate, at the time he enters into his contract; but the person who sells these dollars for delivery some months hence may be one who does not possess them, but is speculating on the fall in their value. The fact that he will sooner or later have to repurchase the dollars he has sold means an ultimate support to the dollar, but before that time comes he and his like may have broken the dollar. This, indeed, is what occurred with the pound last autumn. As to a flight from the dollar by Americans themselves, there is talk of a certain amount of deposits having been made with the Canadian banks, but there is, as yet, no indication of a strong tendency on the part of American nationals to transfer funds.

I do not believe that the position will become so acute as to cause the United States to go off the gold standard; but, whether it does or not, the result is that very large amounts of foreign money are being attracted to London, causing a sharp rise in the exchange value of the pound. This may be flattering to British prestige, but we have suffered too recently from excessive foreign short-term funds to be able to welcome this additional influx. The London money market does not desire to be again at the mercy of foreign creditors, and, in particular, France. These foreign balances, natu-

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rally, seek employment, and go largely into Treasury bills. The rise in sterling favors imports and militates against exports, thus neutralizing the effects of the 10 per cent tariff. It also checks the sales of gold from India, which have played so big a part in improving our foreign position.

On the other hand, the competition of this foreign money in the London money market has brought interest rates down very considerably, and has thus rendered much more possible a successful war-loan conversion scheme. If the Treasury does not grasp this opportunity, it looks as though it would be making the worst of both worlds. So far as the United States is concerned, my opinion is that it will weather the storm successfully; but how long it will take for this to occur, without a purification of the political system and the abandonment of Prohibition, I do not care to prophesy.

III. America Sinks; Russia Rises

By Bernhard Citron

Translated from *Die Weltbühne*, Berlin Radical Weekly

SINCE the Wall Street crash of 1929, the United States has vainly endeavored to retrieve its lost prosperity. But one cannot keep swimming against the stream without becoming exhausted. All the far-reaching attempts of President Hoover to revive business were bound to fail because there is still too much filth to be cleaned out of America's economic body. The last great effort was the establishment of the Reconstruction Finance Corporation capitalized at two billion dollars, a staggering amount from the European point of view.

This organization was supposed to revive business, to stimulate industry, and to give the banks added support. But it has been found impossible to revive business without reorganizing it. The methods that have been adopted up to now have not been directed toward revival but have simply served to save banks, railways, and industries from the danger of collapse. Since last fall about eight hundred banks have been aided by the Reconstruction Finance Corporation and the National Credit Corporation. With the exception of a single project connected with the Pennsylvania Railroad, the support that has been given to the railroads has been used merely to avert bankruptcy. In industry the danger of catastrophe is equally great, and one cannot help having grave doubts as to whether government money will be available for any purpose except bolstering up weak institutions.

Up to now, the so-called public utilities have been the backbone of the American economic system. It was their usurious policies that an American representative at the world power conference complained about a few years ago. At the beginning of the crisis these public utilities, which gouge the people by providing them with electricity, gas, and water at high rates, seemed to be economically secure. Even at a time when Americans were withdrawing from foreign countries rather than penetrating them, these companies stretched out their feelers toward Europe, and American interests participated in the establishment of the Berlin Power and Light Company. But even the public utilities have not been able to withstand the assaults of the crisis indefinitely. Perhaps it has been a misfortune for these undertakings that they have been the last to be affected by the crisis,

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for this has meant that they have been unable to reorganize themselves in time. The collapse of the Insull interests suddenly reveals the dangerous situation of the public-utility companies.

If Cabinet and Congress in the United States had not sworn allegiance to the omnipotent capitalist economic system, the subsidized railways and public utilities would have been nationalized long ago. America never went through that process of socialization that began in Germany under the ægis of Bismarck. In spite of all the criticism that has been directed against the public operation of public utilities in Germany it cannot be denied that our public utilities are the most valuable assets of our municipalities and that the state railways, in spite of their present deficit, are the nation's most valuable possession. Private business, too, receives tremendous aid from the state railways. It is very doubtful whether private railways would have shown as much consideration for the requirements of industry as the German state railways. If America fears the political consequences of nationalization, that can only mean that American capitalism has lost all power of resistance. When Bismarck nationalized our railways he never feared the beginning of a socialist epoch.

The difficulties of the American banks have overwhelmed many smaller institutions and now the larger ones are threatened. The rumors that constantly circulate concerning the National City Bank do not seem to be wholly the creation of malicious Europeans. Mere lack of confidence is not enough to weaken an institution. Inner defects are the chief cause of any crisis of confidence. This was true in Germany and it is true to-day in America in spite of the conspiracy of silence. Perhaps nothing has revealed the condition of the National City Bank more clearly than a report that it issued a few weeks ago concerning the general economic situation and the position of the banks. When a bank describes a critical period in such glowing colors as the National City Bank of New York employed in its March report one can see in this only an anxious attempt to win confidence.

EVEN the name of Morgan, which has been respected throughout the world for decades, is no longer supreme. Long ago France stopped being a Morgan debtor and became a Morgan creditor, and the South American states, in which tremendous sums have been invested, are very dubious debtors to-day. The house of Morgan also suffered great losses as the result of Ivar Kreuger's collapse. The American banking house of Lee, Higginson and Company actually asserted after the death of the match king that Kreuger's obligations amounted to only a few million dollars. The falsifications that have since come to light reveal unexpected losses that must weigh heavily on Morgan.

In still another respect Morgan's interests have been affected by what has happened to the Kreuger companies. The International Telephone and Telegraph Corporation was affected last year by the falsifications in Ivar Kreuger's balance sheet. The financial statement of the L. M. Ericsson company, the Swedish electrical concern, a majority of whose stocks were sold by Kreuger to the I. T. & T., showed an entry of thirty million kronen in bank balances that really did not exist, and the I. T. & T. was therefore unable to pay its dividends. The condition of the Ericsson company as it is now revealed makes the American participation in that concern almost totally valueless. In normal times an organization like the I. T. & T. would be able to meet such a loss comparatively

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easily, but to-day the Kreuger affair is a real danger.

What Morgan is to the world of finance, Rockefeller is to industry. Rockefeller, too, suffered through the Kreuger losses because the International Match Corporation was established by Kreuger and Rockefeller together. The International Match Corporation was not in a position to meet its last interest payments, and Rockefeller did not interfere, although he had supported International Match shares some weeks before on the Stock Exchange. One can therefore readily conclude that this company recently suffered losses that were concealed from Rockefeller himself.

Here, too, the same thing has happened that we have already described in respect to Morgan and the I. T. & T. Two or three years ago the Kreuger affair would have been a matter of secondary importance to Standard Oil, which has been able to overcome much greater obstacles in its course of development. But to-day the largest oil company in the world is no longer at the peak of its power. All kinds of public and private agreements cannot halt the deadly fight that has been waged in recent years on the oil market. The Shell Company has weakened itself so much by price cutting that there is grave doubt as to whether it can continue to exist.

But the Standard Oil Company can not triumph either. At the moment when its long-cherished wish of seeing its greatest opponent collapse is perhaps about to come true, Rockefeller himself is unable to enjoy the fruits of victory. Apparently Russia is going to be the ultimate beneficiary, as it was in the case of the match industry. For the economic rivals of the Soviet Union are themselves the bitterest political enemies. It seems as if the struggle between private and state capital that is occurring in the political and economic fields would terminate in a victory for the Soviet Union.

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The former financial editor of a great German daily explains the economic significance of the Kreuger crash and a friend and fellow director of Kreuger's admits that the late match king suffered from delusions of grandeur.

Second Thoughts on KREUGER

German and Swedish Views

I. The Portent of Kreuger

By Dr. Richard Lewinsohn

Translated from the *Vossische Zeitung*, Berlin Liberal Daily

For several weeks certain Paris newspapers have contained striking discussions of the titanic battle between the destructive force of international financial capital on the one hand and the constructive force of productive capital on the other. In this section of the French press the words 'international financial capital' mean certain dark forces emanating from Frankfurt-am-Main or Mannheim and from Wall Street which are spreading disaster through the world. These vampires, it seems, have entered into an unholy alliance with Moscow in order to make their destructive work still more effective. And now Ivar Kreuger, the Swede, has fallen victim to the joint attack of Bolshevism and international financial capital. For Kreuger represented real productive power, creative industrial leadership, and world order. The fact that he stood for all these things explains why the rulers of the present international system, the lords of Wall Street and Moscow, drove him to his death.

On reading such items in the French language one realizes that if they were translated into German they might appropriately appear under Ludendorff's signature or in the form of a National Socialist manifesto. Yet they are the original work of a Corsican named Spotturno who directs an international perfume industry under the name of François Coty and who maintains several cheap and widely read Paris newspapers on his perfumery profits. M. Coty is an opponent of democracy and a zealous advocate of Fascism. His arguments do not differ essentially from those of Hitler except that in his case it is the French who are represented as being plundered by other nations. As a manufacturer he has be-

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come enormously rich, but he is really a political idealist, because the political propaganda that he is promoting can not fail to damage his business. He does not say precisely what he wants but he has made himself quite clear on one point—he is against the 'system.'

While Coty's newspapers were praising Ivar Kreuger as a 'noble warrior,' painful news came from Stockholm. The bullet that ended Kreuger's life tore the veil of secrecy from his affairs. Their inner workings were made public and what was revealed exceeded the worst expectations. Not only had the business lost billions, not only had hundreds of thousands of people in Sweden and all over the world lost their savings in it, but the 'noble warrior,' Ivar Kreuger, had concealed his losses by misrepresenting his true financial position. Last year in England Lord Kylsant, the head of the biggest shipping company in the world, was sent to prison because a prospectus describing his company's affairs was not sufficiently accurate. In Germany the general director of the Schultheiss breweries has recently undergone the same experience. And now investigation of Kreuger's accounts in Stockholm reveals a condition that seems much, much more serious. The balance sheet of the Kreuger and Toll Company was false, so say the dispatches.

We now know why Ivar Kreuger could see no other way out of his difficulties except suicide, though responsibility for this economic catastrophe has not yet been definitely placed. Those who were directly affected and outsiders as well have a right to know how such a tremendous collapse was possible. The causes of this terrible crash should not be buried with Kreuger in his grave. The world wants to understand clearly so that it may not undergo such a disaster a second time. Meanwhile, some hasty spirits proclaim that the 'system' was responsible.

The 'system.' What system? Ivar Kreuger was a Swede. He developed from the economic life of his native country. He went directly into an industry that had been specifically Swedish for a century, although it depended less on the raw materials that Sweden provided than on the technical skill and organizing ability of the Swedish people. Kreuger's first great achievement consisted in merging a great many small Swedish match factories into a single trust. This won him the confidence of his fellow countrymen, who trusted him with their money. Since he had been so successful in organizing the match industry, they handed him their savings when his constructive fancy moved in other directions. Even a year ago, when it was first rumored that the Kreuger concerns were in difficulty, one of the leading Swedish industrialists assured me, 'There is nothing more solid than Ivar Kreuger. Kreuger is the Swedish popular savings bank.'

Kreuger's activities in Sweden were only the first step on his way toward greater international transactions and international renown. Kreuger did business with governments all over the world. His international financing rested on a brilliant trick. He procured loans for nations that needed money from other nations that had more money than they knew what to do with, taking his own compensation in the form of a match monopoly. These transactions entered the field of politics because they had to be carried out through cabinets and parliaments, but their ultimate purpose was completely nonpolitical. Look at the list of countries to which Kreuger lent money in recent years and in which he was granted match monopolies in exchange. Some of these countries are democracies, others live either partially or wholly under military dictatorships. Germany and Poland both received his aid, and Kreuger arranged a two-bil-

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lion-franc loan for the France of Poincaré and was made a Grand Officer in the Legion of Honor for his services.

IT is just as childish to call Kreuger pro-German or pro-French as it is to say that he preferred one form of government to another. He was a Swede and a remarkably talented financial and industrial organizer, a genius at business but nothing else. It is also ridiculous to regard him as an enemy of Bolshevism and a declared foe of the Soviet Union, as the Russians are now doing. Everyone knows that Kreuger tried for a long time to combine the Russian match industry with his own interests or to make some kind of agreement with Russia. When his efforts failed and the Russians began dumping their wares on the world market, Kreuger defended himself just as he would have done against any other business competitor. No sign of any political system can be discovered in all his activity. Nor is it possible to explain Kreuger's collapse on the ground that he was a citizen of a conservative, democratic country. Anyone who is looking for flaws in the democratic system of government must remember that economic catastrophes and scandals have occurred outside Sweden and outside democratic nations and that these catastrophes are quite on a par with Kreuger's falsified balance sheets.

Under Mussolini's system it has been possible for a man with the qualities of Gualino to become an economic force of the first order and for this outspoken gambler to obtain a dominating position in Italian industry, though it is organized along Fascist lines. Thousands of investors in Italy and abroad lost their money in Gualino's undertakings, and Mussolini did not interfere until it was too late to save these investors from heavy losses.

I am not attempting to represent Gualino's practices as a consequence of the Fascist system any more than I should say that Gualino's French equivalent, the speculator Oustric, was characteristic of the French parliamentary system. Men of this kind flourish wherever individual capitalist activity is allowed a certain freedom of movement. Nor does this mean that a completely socialized economic system would be immune to serious damage, for powerful officeholders might well make mistakes that would affect the whole state. The system that caused Kreuger to collapse has nothing to do with politics or with governmental or economic forms. The rise and fall of Ivar Kreuger do not differ in principle from the careers of other economic leaders who have met a similar fate. Kreuger was not essentially a speculator. He was a constructive economic genius with a one-track mind who relied solely on one method in the belief that it would work every time. The speculator reckons on the ups and downs of the stock market, on variations in business activity, and he fails when he reckons incorrectly. But men of Kreuger's type pay no attention to the stock market. They do not see that the times in which they live are changing. They cling fast to the receipt that won them their first great success.

Hugo Stinnes had the capacity to make money in a period of inflation better than anyone else could. But the Stinnes concerns went up in smoke when the inflation period ended. Jakob Michael became rich in the first stages of deflation immediately after the mark was stabilized, when money was very dear and people would pay any rate of interest, but he never could forget this single economic experience. Even in the most serious times of crisis he continued to reckon on high interest rates, believing that money would continue to

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command a higher and higher price. It never occurred to him that as business profits decreased interest rates would decline. In a certain sense Kreuger repeated Michael's mistake on a larger scale. He, too, reckoned on the stability of loans and on high interest rates, without clearly recognizing that interest and amortization payments would have to come out of the economic system and that in a period of declining business activity no such payments could be made. That was the weak point in the Kreuger system.

Nevertheless, there are two parties to every loan transaction. One must consider not only the group that tries to create new money with prospectuses and balance sheets that may be false or true, but also the psychology of those who subscribe to the loan. The name of Ivar Kreuger for some years and in many countries represented to the public a better guarantee than the state to which he lent the money, and this attitude of mind corresponds to a certain political post-war mentality. The state is not so highly esteemed as the great man who has had a few successes in organization and thus acquires magnetic attraction over the masses. The economic dictators who govern their enterprises as despotically as absolute monarchs used to govern their kingdoms command the faith of the same ignorant people who admire the political dictator. This 'system,' the foolish worship of an individual, has suffered an economic collapse in the Kreuger suicide.

II. Was Kreuger Crazy?

By Oscar Rydbeck

Translated from the *Prager Tagblatt*, Prague German-Language Daily

IT HAS been widely stated that Kreuger suffered from some kind of illness during his later years and there is much evidence indicating that he did. Those who were closest to him, or believed themselves to be, could not detect any signs of it, but now that everything has turned out as it has we are forced to believe that he suffered from some kind of delusion of grandeur. He thought that he was superhuman and so superior to any other intelligence that he could scorn ordinary morality. Time and again he seemed to lose the spiritual faculty of recognizing the connections between things. He despised concrete facts and did not consider it necessary to regard the world situation as it really existed. He was convinced that he could master everything by himself, yet I find it hard to believe that this faith of his was really dishonest.

From a superficial point of view he ignored conventional legal rights, but only because he felt and knew that he was capable of arranging everything so that no violation of the law would exist after his transactions were over. After he had attained his purpose everything was back in its proper place, everyone had what he was entitled to, and everyone felt that he had been correctly treated. The negotiations concerning the German loans are a case in point. In 1924 the question of granting the German match monopoly came up and direct negotiations were entered into with Finance Minister Luther and Dr. Schacht, who was then president of the Reichsbank. The highest sum mentioned was four hundred million marks, and the possibility of raising this amount in the United States was considered. The next step was to decide about the priority of reparations, and

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these negotiations ended in failure for political reasons. Then the German Reichstag was dissolved and a new government came into office. When the match monopoly was finally granted, the loan given in return came to five hundred million marks, because Germany's demands had increased. Kreuger agreed without protest to provide this tremendous sum. If anyone asked him why he was willing to take upon himself such a tremendous responsibility, he replied that he could count on American backing. His financial power was respected all over the world. There was nobody whose trust he could not win. Therefore, when a man with so many connections explained that he had secured credit for the future there was no reason to doubt his word.

ONE of Kreuger's most remarkable qualities was his farsightedness. I am thinking in particular of his successful speculation when the Swedish crown stood at two and a half to the dollar. He bought all the dollars he could and made tremendous profits. In 1926 and 1927 he had amazing faith in French securities, and on another occasion he bought a tremendous number of shares in German dye companies when they were selling at rock-bottom prices. Later he sold out and made a profit of several hundred per cent. No one could believe that a man with such farsightedness, such knowledge of markets, especially one who was able to influence public opinion, would use his powers merely for speculation.

I always suspected that many of us who thought that we were close to Kreuger were mistaken. In so far as I am concerned, I now know that I was considered necessary in many respects, yet I was never a real friend because my position forced me to ask questions which I now recognize did not fall strictly into my professional province. I joined Kreuger after he returned to Sweden in 1908. At that time we did a lot of business together. It was then that he founded the Kreuger and Toll Building Company, whose activities soon spread all over the country. I got an insight into his abilities. When his business extended further he took less personal interest in me, but our contact in business matters grew even closer, especially when I became a member of the board of directors of the Swedish Match Monopoly Corporation in 1917. Again through the personal influence of Kreuger, I was elected to the board of directors of the Kreuger and Toll Company in 1929.

Facts that have been resurrected since Kreuger's death prove that hardly anyone had the right to regard himself as Kreuger's intimate friend. Those of us who did business with him abroad became accustomed to spending our evenings together after we had been in conference. Kreuger, however, had so many irons in the fire that he generally had to attend other conferences. Yet it now appears that he had acquaintances of whom I knew nothing and that his interest was wrapped up in matters of which we did not have the faintest suspicion. He seems to have found more enjoyable ways of spending his evenings than with inquisitive bankers.

Ivar Kreuger stands before me as a personality with good and bad characteristics like any other, but essentially as a character who was forced to do both good and evil with remarkable intelligence and with an energetic will to power. Success went to his head. It was probably illness that made him lose his sense of proportion during his later years, but in good times as well as bad he had his own attractive way of doing things. One often had the feeling that he despised mankind. That may be because he was able to influence them so easily and win them over to his plans.

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Persons and Personages

VALERY LARBAUD

By LÉON PIERRE-QUINT

Translated from the *Revue des Vivants*, Paris Literary and Political Monthly

VALERY LARBAUD is one of the four or five contemporary writers who are going to endure. To-day his work has not yet attained its true place. M. Larbaud has confidence that time will do him justice. He belongs to that group of pre-war writers who think that an author should not waste his time seeking public support but should do his work first. Art demands patience, devotion, sacrifice, and silence. M. Larbaud has devoted himself to a cult of disinterestedness. Often when he meets one of the friends of his youth who to-day occupies a high and important social position and who waves his hat from a comfortable, thirty-horse-power automobile, he smiles to himself, reflecting like his own character of Barnabooth, 'He has succeeded, the imbecile. He has succeeded.'

Those who do not know M. Larbaud might call him a dilettante, and in a period of speed and mass production the dilettante is an anachronism. But though M. Larbaud has recently eulogized slowness he despises equally the lazy amateur who tries to kill time and the excited person who wastes his spirit in vain activity. M. Larbaud is above all else a humanist in the large and profound sense of the word. He aspires to an ideal of culture and wisdom toward which he believes every individual should strive. Impelled by his imagination and his unfailing intellectual curiosity, M. Larbaud has traveled in Italy, where he loved to visit little, unknown towns; along the banks of the Rhine or to Munich and Vienna; and in Northern Africa. He has also explored French and foreign literature. It was in this way that he discovered amazingly modern verses written by Racan and Saint-Amant. He made the French aware of a great English writer, Samuel Butler. He brought back from Spain the works of Ramón Gómez de la Serna and from America extraordinary Mexican novelists and advance-guard poets, Chileans, Uruguayans, and Argentines. He himself has translated a great many of these writers. M. Larbaud is certainly one of the best translators of the day. He believes that only by translation can one really penetrate the intimate meaning of a foreign language.

No disinterested labor is done in vain. By patiently studying English, German, and Spanish texts, M. Larbaud has been led to those recent experiments of his of transporting into one language words that are foreign to it and introducing them, almost brutally, as foreign words. Their unexpected euphony and strange aspect enrich the language that receives them. Certain modern Russian novelists have done this by transplanting slang words into their written language, and James Joyce has followed a

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similar formula in certain extraordinary little stories. For instance, when Joyce wanted to give the impression of thunder he used the word 'Maori,' which is short but which makes a really thunderous sound.

It was in *Jaune, bleu, blanc*, which are Valery Larbaud's colors, and in *Ce Vice impuni, la lecture*, both of them post-war books, that the author revealed his sorrows and joys as a humanist. In the course of the past twenty years not more than five or six volumes by Larbaud have appeared. In *Fermina Marquez* and *Enfantines* he dwelt at length on the mysteries of childhood, its dreams and loves, and on the drama of adolescence. *Enfantines* is certainly one of the most profound books ever written on this subject. The author achieves nuances of delicacy and emotion whose bitterness and depth the reader does not always appreciate.

IN *Barnabooth* Larbaud traced the first portrait of an international billionaire who goes from palace to palace on *de luxe* liners and sleeping cars. He created the modern figure of the European traveler before Paul Morand did. Barnabooth does not carry suitcases with him. In every city that he visits he orders shirts and new suits so that he will not be weighed down with baggage but can remain entirely foot-loose. Barnabooth is also a kind of intelligent artist who wants to free himself from all forms of social and moral slavery. He is a young man in revolt, searching for the absolute. Various passions traverse his life, especially love. Before the War man had time to cultivate the attachments of the heart. M. Larbaud has even devoted a book to the subject, *Amants, heureux amants*, in which he evokes the troubled passion of love with all its sentimental deformations.

To-day Valery Larbaud is a fat little man who radiates a strange sympathy and is as serene and smiling as a Buddha. He has large, wide-open eyes that are lively, gentle, and good, set in a face that is lightly tanned, as if by the Italian sun. He has an enormous round head that is almost completely bald, and his neck disappears between his shoulders. Larbaud often wears heavy clothes that make him seem bigger than he really is. His legs look as if they had been added as an afterthought to a torso that could do quite well without them. He makes but few gestures, or at any rate few gestures that agitate his body. His whole movement lies in his smile, the smile at once of an amused child and of an ironic sage. Often this smile becomes an amiable little laugh, slightly timid, searching for approbation, aspiring after comprehension. But his physical aspect is also that of an imposing man, a man in whom one feels a certain weight and a certain mystery rather difficult to define. This impression is accentuated by a low voice that hesitates and murmurs, sometimes purposely, either for the sake of eloquence or discretion or in order to make some word more finely understood.

The aristocratic discretion and guarded tenderness that emanate from the man reappear in his work. One also feels them in his Paris apartment. Larbaud does not separate his acts from his thoughts, or his character from

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the *milieu* in which he lives. He occupies a calm house at the end of a courtyard that is like a garden, since it contains a number of smiling trees. The furniture in his study has a white enamel finish that looks very inviting. On the wall a photograph of Rimbaud as a child hangs next to photographs of Larbaud's friends and of certain European places that are as dear to him as real people. These photographs are part of his soul. His lead soldiers, which have become legendary to all who know Larbaud, form another part of his soul. He has dozens of them carefully arranged on tables. Others that he has patiently collected live in boxes, each piece in its place. The cavalry of all the Latin American republics in every period of their history are accompanied by their officers. Each general has the correct number of buttons and stripes.

In his love for these toys I see that he has found a way to satisfy his desire for tenderness. With an almost caressing delicacy he handles the latest assortment that he has received, mounted soldiers, Huns or Sioux Indians, carrying enormous quivers filled with frightful arrows. Larbaud has no desire to be original or to cause astonishment. He is used to living in the midst of these armies. The novelist that dwells within him enjoys inventing a lovely story every day. This morning he will place next the empress a mulatto in the white uniform of an officer. He will invest them with a passion that he sympathetically protects. The next morning revolution has broken out in the palace. Under the eyes of the cruel empress two hangmen painted red are beating two little girls who are perhaps maids of honor. Often Larbaud, a new kind of prophet, reconciles the various cults. Representatives of all the religions are spread out on one of his little tables. A Buddha with many hands sits enthroned in the highest place. Below him sits Minerva with a helmet like the one worn by the figure representing the French Republic, and below that is the Arc de Triomphe, standing for the new religion of the unknown soldier.

A LIFE like Larbaud's, now consecrated almost entirely to disinterested research, to friendship, and to art, would seem possible only if it were based on a youth that more or less exhausted the pleasures and experiences of the century. Yet Larbaud's youth was quite different. At the age of twenty he divided his existence in two, one part being devoted to the world and to travel, the other to art.

Although he has never stopped writing since his adolescence, he did not bring out his first book, *Les Poésies de Barnabooth*, until 1905. As was the custom at that time, Larbaud had two hundred copies of the book published at his own expense, and to recoup his losses he offered a few more hundred copies for sale and sent others to his favorite writers, Henri de Régnier, Heredia, André Gide, Octave Mirbeau, Viélé-Griffin. With the erudite superstition that is so curiously characteristic of him he arranged to have his book appear on the fourth of July, an anniversary associated with Walt Whitman. In the months that followed its publication he re-

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ceived a score of letters from writers saying, 'You are now one of us.' This success enchanted him. He did not want any other.

In 1910 he met André Gide and really had something to show him. It was the whole Barnabooth collection, the *Journal* and the *Poésies*, the result of ten years' labor. The complete work appeared in 1913. A short time before that Larbaud had read Gide's *Nourritures terrestres* at Biskra and had said to himself, 'Since Gide understands Biskra as I do, he will understand my poems.' Thus in his beautiful and apparently almost unified life his books are like great outcries, sudden exclamations.

Valery Larbaud is an individualist whose complete lack of morality seems quite natural and inoffensive. He is an aristocrat. 'I have found pure spirits and delicate souls,' declared Barnabooth, 'only among the rich and the great.' Once, in revolt, he tried to throw the whole social order overboard. 'I hurled myself into an assault on the absolute.' He tried to live frenetically, Gide would say, with fervor. At other moments, perhaps under the influence of Dostoievski, he seemed to want to humble himself, humiliate himself, lose himself, but he never succeeded in lowering his social level. He is quite different from that Russian grand duke who was richer than Barnabooth, more worldly and more brilliant, but who suddenly dropped everything, enrolled in the Foreign Legion, and died with a bullet in his forehead by Lake Chad.

In telling us this terrible story, in evoking the tragedy of such a destiny, which is that of all outcast poets, Larbaud reveals that he has not remained confined to the formula of the pure artist. Unquestionably, he has placed art on the highest rung of his ladder of values, but he has always contrasted the artist and the æsthete, the passionate man and the decadent. Behind the activity of a life devoted to art, he has felt the final vanity of all things, 'The theatrical uselessness of everything,' as the *surréaliste*, Jacques Vaché, has said. He has understood the meaning of what I myself have called 'amiable decay,' that is, the taste for misfortune, the desperate need to arrive at the extreme limits of life from the bottom, the desire to mock one's self. In his cage on top of a pile of valises, Barnabooth's parrot, addressing the rich billionaire, did nothing but say, '*Loro, lorito, lorito real.*' ('Little parrot, little royal parrot.')

President Kalinin of Russia

By Walter Bertram

Translated from the *Rote Fahne*, German Communist Daily

THE peasants simply call him by his first names, 'Mikhail Ivanovich'; the workers know him as 'Our Old Man.' Mikhail Ivanovich Kalinin, in looks and personality a mixture of worker and peasant, is a living symbol of the union between the proletarian and the peasant, the foundation on which the victory of the revolution depended and the socialistic struc-

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ture of the Soviet Union was built. In May 1919, when Lenin proposed him as senior president of the Union Central Executive Committee, he said, 'With his experience as worker and farmer, he is the best man to head the workers' government, to strengthen the tie between the proletariat and the peasants.'

Born of poor peasants on the twentieth of October, 1875, in the hamlet of Verkhnaya Troitza in the government of Tver, Kalinin had to work hard at an early age. Almost every year his family had a new member and Mikhail looked after the smaller children. Not until he was thirteen could he attend school, which was many miles from his home. Since his parents could not afford his tuition, Mikhail's playmates, the children of a more prosperous neighbor, asked their parents to send him along with them. As soon as he could read he devoured all the books he could lay hands on. At the age of eighteen he left school and entered the Old Arsenal factory in Saint Petersburg as an apprentice. After two years of training he became a worker in the Putilov plant. Here our young farmer's son received his baptism as a revolutionist.

In the spring of 1898 Kalinin was first introduced into Social Democratic circles and at the end of the same year he joined the Russian Social Democratic Party. Pamphlets were being distributed in the different Saint Petersburg factories for the first time and over one thousand were circulated in the Putilov plant alone, urging the workers to attend a demonstration on the first of May.

Political struggles now began to develop, thanks to the bitter hatred and revolutionary fire of the proletariat. Demonstrators carrying red banners marched against Tsarism and capitalistic exploitation. The 'Militant Movement for the Liberation of the Workingman' was established in the workshops, young Kalinin being one of its first members.

He was first arrested in 1899 with fifty-one comrades. For ten long months Tsarist justice held him in order to break his revolutionary spirit, but he spent that time reading. When at the end of ten months he was deported to the Caucasus he had become a staunch and convinced champion of the revolution. On his way to the Caucasus he did not forget to visit his home town, because, as a young worker, he did not want to lose contact with the poverty-stricken peasants. And Kalinin has been true to this principle till this very day.

After his release, his party sent him to Saint Petersburg to organize the distribution of illegal literature. 'We'd rather kill someone than have our propaganda material taken away from us,' his comrades told him cheerfully before he left. On his return to Tiflis he became a menace to the authorities there. Again he was exiled, and this time chose Revel as his residence, where he was able to pick up a little German. The work of the revolution, however, was much more difficult in Revel, as there were only very few Russians there, most of the inhabitants being Esthonians and Germans. He found work in the Volta factory for electrical appliances and built a press for illegal literature in his dwelling place.

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Early in 1904 he was sentenced by the Tsarist government to four years of exile in Siberia, but the verdict could not be executed because Russia was at war with Japan. Every train on the line was reserved for the transportation of troops and ammunition, so that Kalinin could not even begin his journey. Dragged from jail to jail, he was finally sent to a small village in the northern government of Olonets. Returning to Saint Petersburg in December 1904, he found it a raging sea lashed high by revolutionary storms. Kalinin then visited his birthplace and stayed for some time with his people, but finally hastened back to Saint Petersburg to resume work in the Putilov plant.

In January 1905 the big Putilov strike broke out. The ranks of the workers were gaining in strength and unity. Kalinin was elected a member of the district committee of the Social Democratic Party in the Narvski section. The Tsarist structure trembled under the blows of the revolutionary proletariat and of the peasants whom they led. The workers formed soviets, precursors of the future government of the proletariat. When the Saint Petersburg soviet was arrested all the workers joined the strike, which the Bolsheviks kindled into an armed revolt. The working masses were not yet able to gain an absolute victory over their oppressors, but the lessons received in this dress rehearsal determined the lines of the future insurrection, which finally triumphed in the revolution of October 1917.

IN 1906 Kalinin was sent to the Stockholm Congress as a representative of the Saint Petersburg workers. A period of bitter counter-revolutionary reaction followed. Kalinin worked for different factories, only to be repeatedly dismissed, once for defending a comrade. The reaction finally expelled him from Saint Petersburg and he found work with the Moscow Street-Car Company. Here he was particularly active in distributing illegal pamphlets.

In 1910 prison doors closed behind him again for a considerable period. Then he visited his village and later returned to Saint Petersburg, where the same cruel comedy was repeated—arrest, jail, and back to his village. But even in his native home he had no peace, for the police appeared and searched his house from top to bottom. For about a year Kalinin lived quietly with his fellow peasants, and then he returned to Saint Petersburg. In the struggle between the Bolsheviks and the Mensheviks he fought in the front ranks on the Bolshevist side.

August 1914. The World War. Without waiting for instructions from the Central Committee the workers of Saint Petersburg all went on strike. Kalinin addressed a large meeting and called for recruits to turn their weapons against the bourgeoisie. Amid tumultuous shouts of approval he raised his voice and cried 'Down with the War.'

A period of bitter struggle for the Bolsheviks followed. Working feverishly, day and night, they issued pamphlets, proclamations, and appeals as fast as they could. Groups and cells were formed; illegal propaganda

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was disseminated in the army. Again Kalinin fell victim to the cause and was thrown in jail for a year. Only by escaping did he avoid exile.

The February revolution found Kalinin, Stalin, and Lenin as the most active and self-sacrificing of organizers. During these months Kalinin was leader of a party district in Saint Petersburg. July arrived, with its demonstrations under Lenin's slogan, 'All power to the Soviets.' Kalinin was elected by a large majority as the Bolshevist representative to the district duma.

The Bolshevist Party was on its way to power. Lenin and Stalin discussed with Kalinin, in the latter's home, a few of the remaining questions. This was two weeks before the uprising. A week later a large illegal meeting organized by Kalinin decided overwhelmingly on revolution. Then came armed revolt. The proletariat conquered quarter after quarter of the city. The telephone and telegraph services were seized; the Winter Palace was taken by storm. The Second Soviet Congress opened on the twenty-fifth of October (November 7 according to the new calendar). The proletariat of the entire world rejoiced—the power was in the hands of the Russian working class!

At this point the most important thing was to protect the revolution against the attacks of the enemy. Comrade Kalinin worked tirelessly to strengthen the dictatorship of the proletariat. He was elected head of the Saint Petersburg branch of the party, which exercised leadership in the revolutionary movement.

In 1919 Kalinin was elevated to positions of the highest responsibility and honor. The workers elected him to the Central Committee of the Communist Party of the Soviet Union, and when Comrade Sverdlov, Senior President of the Union Central Executive Committee, died in March 1919 the Communist Party nominated Kalinin for the office and he was shortly elected. Thus as soon as the civil war was victoriously completed Kalinin entered the foremost ranks of those who were reconstructing the badly shaken economic system and building up socialism in that sixth of the world which had been freed from capitalism. Kalinin's name is closely connected with the work of the first Five-Year Plan and with the socialistic perspectives of the second Five-Year Plan, which will make world history—Kalinin, the man who, in his person, has strongly forged the tie between the workers and the peasants.

Karin Michaelis

By Eugenie Schwarzwald

Translated from the *Vossische Zeitung*, Berlin Liberal Daily

WHOEVER knows Karin Michaelis personally will be surprised to learn that this woman with so many new plans and such charm, gaiety, love of life, and capacity for work is already sixty years old. But whoever knows

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her only by reputation will scarcely be able to believe that she is not a hundred. For Karin Michaelis became famous so young and has crowded so many activities, accomplishments, ideas, people, and countries into her life that nobody who knows of them can credit the fact that she is only sixty. Yet all the reference books say that on March 20, 1872, a daughter named Karin was born to Jacob Bech-Bröndum in the little town of Randers, which Karin Michaelis was later to make famous, just as Odense became famous through Andersen. In Randers the imaginative child went to school and was horribly bored. There she had all the experiences and adventures that later made her a master at depicting small-town relationships and revealing the depths of the childish soul.

Little Karin was an extraordinary child, at one and the same time intelligent and stupid, industrious and lazy, clever and impractical. Had there been any good judges of character near by, they would even then have perceived the artist in her. But there were none, and therefore she strove with all her strength to escape from her environment. When she was only sixteen she got a position as a teacher on an island through an advertisement. At eighteen she was writing her first lyric poems while studying music in Copenhagen. At twenty-three she became the wife of the poet, Sophus Michaelis, and was soon admired by him as his recognized colleague.

At first her path was an easy one. She entered literature as the creator of delicate women and children, and was admired for her imagination, for her narrative power, and for her style, which could be compared only to that of Andersen. Opposition first arose when she advanced a new and bold assertion in her book, *The Dangerous Age*. Misunderstood, mocked, caricatured, she suffered much in consequence, but she emerged triumphant. To-day the expression that she coined, 'dangerous age,' is used as a stock phrase by physicians. At a time when psychoanalysis was the secret of a few, she revealed the deepest experiences of the childish heart in her book, *The Child*. Decades before the present marriage crisis she laid bare in *Ulla Fangel* the martyrdom that a marriage often signifies. And her latest work, the five Gunhild books, which portray the development of a woman artist, are full of intuitive wisdom, cosmopolitan breadth, and penetrating vision.

But the success of her books does not explain why she is one of the few figures that are known all over Europe. For her popularity is not that of the writer. Each profession has its own brand of popularity; the scientist, the boxer, the flyer, the film star, the explorer—each is popular in a typical way. But Karin Michaelis is popular just because of her own self. Everything she is and does she owes to her humanity. This resides in her true democracy and pacifism, in her absolute reliability, and, above all, in her faculty for not considering herself important. Gentle Karin Michaelis would be capable of throwing something at anybody who took it into his head to call her a 'prominent person.'

We all know Schopenhauer's splendid image of the porcupines, which

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freeze when too far apart and which prick each other when they come too close, and which therefore must find the precise distance from each other at which they can live. One does not need to put any distance between one's self and Karin Michaelis. It is characteristic of her that an hour after meeting her one is no longer calling her Mrs. Michaelis, but Karin. She gives out warmth without pricking. She displays true sympathy, never criticizes, and loathes malicious gossip. Moreover, she has the invincible simplicity of a child.

SHE is never worldly wise, but she is deeply affected by suffering wherever she encounters it. In *Gyda*, one of her most beautiful books for children, little Heldin sticks her bare arm into boiling water in order to find out 'how the potatoes feel when they are being cooked.' That little girl is Karin Michaelis herself. Sympathy is the mainspring of all her actions. Without regard for her life she will fling herself between the horse that is being beaten and its oppressor, just as she stood up for Sacco and Vanzetti. She does not fear to set herself at odds with powerful individuals, whole classes, or entire nations. She is not afraid of being laughed at. Instead she will laugh with you, heartily and delightfully, as only Danes can. She has always been this way, and thus it happened that people began calling upon her for aid whenever any form of tyranny occurred. Whether it is a question of fighting some kind of terror, or combating the outrages of vivisection, or drawing the world's attention to the secret woes of childhood, or attempting to appeal a law case to a higher court—in each and all of these instances people turn to Karin Michaelis. They know that her sympathy can readily be aroused by anyone whose heart is ablaze. Thus she has become what one might call the conscience of Europe.

But Karin Michaelis is valuable to the world in which she lives not only because of what she does, but also because of what she is. Her outlook on life is founded on the three principles of universal piety, universal love, and universal joy. In our time such a harmonious life is well fitted to arouse both admiration and imitation. Tender-hearted Karin Michaelis knows better than anybody else that the world lies darkly about and within us. For this very reason she is ever concerned to create within herself new forms of defense against the ills of life. Her most powerful weapons are cheerfulness, tolerance, and contentment. Her cheerfulness is not inborn but acquired. She expects nothing from without, but seeks all fulfillment from within herself. She awakes the song that slumbers in all things. One might describe this condition as spiritual autonomy.

Everything is new to her each day. The shining of the sun is not to be taken for granted; that there is something to eat comes as a delightful surprise. House and clothing are never taken as matters of course. Friendship she feels as an ever new gift; labor as a daily renewed blessing, more than that, as vital sustenance, as the central source of happiness. Karin Michaelis belongs to the new order of mankind that makes no distinction in

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value between mental and manual labor. She weeds her garden and polishes her furniture with the same girlish enthusiasm that she puts into her books. Dish-washing is a joyful affair, and her way of making salads is a matter of renown. She lays great stress on inexpensiveness, and only that which is worth much and costs little meets her approval.

Karin Michaelis feasts on pleasures all day long. The morning mail brings fifty letters from all over the world inquiring after Bibi's health and inviting her and Bibi on visits. There is an occasional trip to the theatre; an hour at the cinema; an intimate conversation with friends; an old dress to be remodeled so that it looks almost like new; a bright idea of her own or somebody else's, which, however, must not be any trouble to anyone. Everything is a feast. There is the experience of a song by Schubert, sung by Emmy Heim. There is the success of a joke on one's self, cleverly told. And then there are books! With her fingers in her ears like a child, Karin Michaelis spends every spare moment reading books in German, English, French, and Danish with enthusiasm, loving sympathy, and keen enjoyment.

Then she has a hobby: she is a collector. She collects countries in which she has given lectures in the German language. She loves the German people and German ways, and she feels deep gratitude to the land which, as in the case of all Danes, has formed her bridge to the outer world. She will not rest content until she has compelled the Patagonians to let her address them in German. So far she has reached only fourteen countries. She will need a very long life to reach all the rest.

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A Chinese machine-gunner nicknamed 'Charlie Chan' by American newspaper men describes his personal experiences during the Japanese attack on Chapei.

Fighting *against* Japan

By 'CHARLIE CHAN'

From the *China Weekly Review*
Shanghai American-Owned Weekly

SINCE many people in Shanghai know of me and my work at the front, I venture in this story to set forth my experiences of fighting in the Chapei Hell. I am not a regular army man, but a plain citizen of Shanghai, employed in peaceful times by a local concern. The commercial establishment where I worked went out of business following the outbreak of hostilities. There was no buying, no selling, every business man looking gloomily at the crisis, the end of which was so far away. I had previously enrolled in the merchant volunteer corps of Shanghai, better known in Chinese as Pao Wei Tuan, which came into being in many cities after Mukden was taken by the Japanese on September 18, 1931. During the four months I had learned to drill, handle the rifle properly, to toss hand grenades, and even to operate the machine gun. I had never seen war, except on the screen. I had never seen men killed or blood spilled. Without any experience whatsoever, I went to war to defend my country.

At first the volunteer corps were not wanted by the regular 19th Route Army then stationed in Chapei against the Japanese. On insistent request we were incorporated into the front line of defense. On the fourth day of the 'war' I took up my post with four others at the front, at the end of Paoshan Road, a Chinese street running into the Settlement, where the Japanese operated. We had two machine guns, a good supply of hand grenades, and several rifles behind a sand-bag barricade.

The Japanese marines were facing us, about fifty yards away, also behind a sand-bag barricade. In the day they made no attack. Our strict order was 'repulse them when they come, but never attack.' For in the first place an attack was not intended, and in the second place it would involve international complications, as the Japanese were in the International Settlement. From our loophole we could see truckloads of Japanese troops, munitions, and provisions driving at top speed inside the Settlement. The exchange of casual rifle fire was the only occupation of the day. The Japanese like to do things in the night, in pitch darkness.

For us it was a sleepless night, keep-

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ing watch as we did for Japanese attack at any moment. There were reinforcements sent to our front line, our defense force totaling fifteen men already. There were several rear lines, with additional reinforcements in much larger detachments within short distances. We went to sleep by turns, really half-awake, when men from the rear came to release us for a few hours. The Japanese had their good night's rest, and they rested assured that no Chinese attack on their Settlement base would be possible.

All was quiet on the front, save a few random shots disturbing the stillness of the night. The night wore on, and it was near daybreak. We saw dimly dark figures hovering in the distance. We heard motor trucks rattling on the pavement. Suddenly, the opposite barricade opened. Rifles in hand, fingers on the trigger, the fifteen guards were alert, watching the movement of the foes. Through the open space dashed five armored cars. Rifle firing rent the air. A volley of machine-gun fire came pouring into our line. The machine guns mounted on the armored cars swept the street, while dark forms rushed after the cars to charge our barricade.

We retaliated. All hands went into action. Our machine guns vomited a volley of steel bullets. Rifle shooting being too slow for the action, hand grenades were thrown into the charging enemies. We saw them fall one by one, and then in large numbers, as our machine guns swept from left to right. Where the hand grenade exploded several men fell. One grenade hit the wheel of the nearest armored car, which blocked the route of ingress of the four units behind. The enemies crawled on the ground like snails, hid underneath and behind their armored cars, took shelter behind telegraph poles, the green post box, and almost any hiding place afforded by the walls. From those points of vantage they shot at us. Their machine guns on the armored cars rang out an incessant rat-tat-tat. Our sand bags absorbed all the bullets of the night. The fighting continued, one hour, two hours—it was soon daylight. We were still behind our barricade, aiming, shooting, defending the vast country. Japanese dead and wounded littered the foreground. Four armored cars returned, the damaged one remaining before us as a token of Japanese failure. The retreating enemies dragged back some of their casualties as they were removed to the rear. The defense was reinforced.

We felt warm and excited, the grip of winter notwithstanding. We felt terribly hungry, a curious experience. I turned back to look at my companions, who shared the winter chill of the night with me. There were many more than the original fifteen sentries. Hundreds had come to our rescue at the first sound of battle. Some of the original fifteen and some late-comers too had fallen dead or wounded. But our nerves were so geared up that the gruesome scenes before and behind us gave us no fright.

During the lull of hostilities the dead and wounded were removed to the rear. The defense was reinforced. Our force was now much stronger, with better equipment and more machine guns. In the day, the Japanese made several attacks, but all were successfully repulsed. From many vantage points on housetops, inside shop windows, and in dark alleys, some of our soldiers fired, so that the Japanese were quite puzzled as to whence the stray bullets came. There were many skirmishes, but for nights and days we held our line, invincible, impregnable, and invulnerable.

I watched as my comrades fell, wounded or dead, and were carried away. Such was life! My hatred for the Japanese overcame all my soft feelings of sympathy and fear. The dying did

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not shriek, the wounded did not cry. The men, or rather the boys, met their fate in silence, a silence so noble that it was in itself a glorious feat. I say the boys, because the majority of the 19th Route Army as well as of other Chinese armies are youngsters still in their teens. I sat down. There was no firing. Even random shooting had ceased for a short spell. In the alley-ways yonder surged a body of struggling humanity, women, children, and even men in the prime of life, seeking safety somewhere beyond the range of guns.

MANY days passed behind the sand-bag barricade. Our routine every day was interspersed with rifle-shooting, machine-gunning, and gramophone-playing. There was nothing to do between the times of firing. One boy, Ah Leung, who hailed from Shansan, Canton, was fond of music, and brought a portable victrola. Arms and munitions continued to arrive from our headquarters, and food provisions, delicacies, contributed generously by our civilian population in Shanghai, came pouring into our redoubt. After all, life in the war front was quite enjoyable. Armed battle is the most exciting game there is on earth, if equal advantages are given on both sides. In the Shanghai 'war' the advantages were not equal. The Japanese could penetrate our line, but we could not move into the Settlement. So, often, when the greatest excitement was on, we were forced to halt operations to watch with helplessness the retreat of our enemies.

I think Herr Remarque was quite wrong when he wrote *All Quiet on the Western Front*. The screen version exaggerates the war scene still more. You hear the piteous wail of the wounded soldiers. The wounded always forget their wounds and pain on the field. They don't wail. At least, the Chinese boy soldiers don't. As to devastation of property, we were eyewitnesses of scenes similar to those on the screen, only more real and extensive.

Once, in the night, our line was broken through by the Japanese blue-jackets. Under cover of the night many stormed our barricade. Our machine guns and all arms went into action. Many enemies must have been killed, although we could not see, as all lights went off before the advance was made. Some blue-jackets were evidently sent to remove our sand bags. Without our noticing, an opening was made in our barricade, through which armored cars dashed in at full speed, their machine guns firing in all directions.

Our detachment, evidently reinforced at the sound of rifle fire, kept on resisting. Our hand torches lighting up the ground, we immediately rebuilt our redoubt amid a rain of bullets. Many Japanese had already got in. It was a hand to hand fight now, bayonets, pistols, hand grenades answering the purpose. It was so dark that we were uncertain whether we might not shoot at our own comrades. Luckily for us, the Japanese blue-jackets wore white leg covers to match their uniforms. Dimly, we could see the white moving objects, the legs of our enemies, and at them we fired. My machine-gun post was in a snug corner. A bullet penetrated my coat, scratched my skin, but I felt no pain.

Our Big Sword Corps came. They were detailed to the front by the headquarters on hearing that a hand to hand fight was in progress. I must explain about our Big Sword Corps, because it is not found in the modern army. It is a mediæval force, employing primitive swords, such as you find in Roman history. Stripped to the waist, barefooted, these naked envoys of death swear never to return whenever they are sent forth. Armed with a huge sword, a pistol, and many hand gre-

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nades that hang around his waist, the Big Sword is a combination of modern and primitive soldier. His face is smeared with black grease, his hair is in disorder, and whenever he kills an enemy he puts his blood on his own face and body. His very sight is frightful even to his own men.

These Big Swords came. To avoid gunfire they rolled on the ground. They too distinguished their enemies by the white leg covers and by the simple method of feeling. They stretched their left hands to feel. When they felt tin caps, woolen uniforms, leather outfits, down went their swords. Sometimes they rolled on the ground to cut the white legs. The Japanese are infinitely well clothed and well protected compared with the Chinese soldiers, whose only armor is their love of fatherland.

Meanwhile, the armored cars, numbering five, were doing damage behind our line. With a hand grenade we wrecked the wheel of the last car, thus blocking the way of retreat for all the cars. Bending low, almost rolling, we approached the cars in complete darkness, our flashlights occasionally lighting up the ground. Some fell before reaching their objects. At last we got to the cars. We climbed up. The machine guns mounted on the cars could not be bent to shoot at us. We were safe. Into the narrow holes our pistol shots went, bang, bang, bang. The drivers, the machine-gunners were shot and killed. These ghastly vehicles of death were put out of commission. We captured them all. They were within our front line.

The morning dawned. The Japanese were repulsed. They had gone behind their barricade, fifty yards away. We looked at each other. When a head, a helmet, or anything came above the opposite sand bags, it became the target of our fire. When we stood up to wave hands at them, they also shot. I could count fifty dead bodies before and behind us; some legs still shivered in the last agony of death. The Japanese suffered more casualties, they being attackers and more exposed. Our Big Swords had done a good job. Many Japanese corpses were without heads, some were without hands, and legs were mutilated in all sorts of ways. We had heard that the Japanese marines and armed civilians had bayoneted our women and children on North Szechuen Road, inside the Settlement, in most violent and revolting manners. Naturally, the scene before us gave us satisfaction and even happiness.

By now my ability in manipulating the machine gun became recognized, after much actual training and practice at the front. I was ordered to look after some lonely nest on high. Our military plan had been changed. In addition to the front-line defense, we were to build as many isolated machine-gun posts as possible. These posts were to be at elevated points like housetops and second- and third-story windows, so that we could better look after the advance of our foes.

My nest was in a dilapidated structure, dirty and ugly. But because of the filth and damage, I could operate unseen and undetected. There were other posts like mine. The Japanese never did find out where we were. When they charged, their attention was centred on the front-line barricade. They could not see me, not even the point of my gun. The Japanese were facing me in the south. But on my west I could command a good view of the deserted Boundary Road, the intersection line of Chapei and the Settlement. What had once been the busy thoroughfare of all rail-bound passengers and tourists was now the silent path of death. At a junction point farther west was a strong redoubt, guarded not by the Japanese or the Chinese, but by the neutrals of the Settlement. I could see

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the changing of the guards, their buttons and bayonets shining in the winter sun. At first the S. V. C. men, foreign-merchant volunteers of the Settlement, were stationed there. Then came the Scottish Highlanders, with their beautiful kilts. At last came the Americans, hefty men from the 31st Infantry. All the different companies came by turn. Days wore on.

It was with the American doughboys that I first cultivated mute comradeship. They watched me operate the machine gun. They saw the enemies fall. When the shooting was over, they would clap their hands and wave at me. I waved back. We smiled. The distance between us was about a hundred feet, but I felt it was infinitely shorter. When the Scots, the Lincolnshires, and the S. V. C. men came, they all did the same thing. They threw packages of Chesterfields, chocolates, candies at me. They shouted at me and nicknamed me 'Charlie Chan.' I am not Charlie or Chan, but I like the name. It can be shouted at the top of one's voice. Every morning we waved a good morning to each other. We could not converse with each other; the street of death that separated us was the boundary not only between Chapei and the Settlement, but between war and peace, perhaps also between East and West.

Most of the time I was alone in the nest, the lone sentinel aloft. Sometimes my men would bring me some bowls of rice, tins of preserved food. Sometimes they would come and talk. When the firing had ceased, the boys would slip away into the street below to gather the cigarettes and sweets thrown to us by our Western comrades. I in turn threw some steel helmets captured from the Japanese to the neutral redoubt as souvenirs of the Shanghai 'war,' of which the international guards of the Settlement were unwilling witnesses. Once I threw a tin of preserved bamboo shoots at them. There was great havoc, they mistaking it for a bomb, but much fun followed.

FOR exactly a month and four days we held our lines at the Chapei front, losing not an inch of Chinese territory. Suddenly, on March 3, we received an order of general withdrawal. We were much bewildered. It was an orderly general withdrawal on all fronts, for reasons we have not yet found out. Some said our line at Woosung, Kiangwan, and Liuho had sustained great damages as a result of continued cannonading from big howitzers and from fourteen-inch guns from war vessels. Failing to engage us in the open field of battle, the Japanese had resorted to heavy batteries and long-range guns, annihilating all the villages and cities from Shanghai to Woosung and westward. Indiscriminate bombing from aëroplanes is another advantage of the Japanese army and navy that has created havoc in the rear of the Chinese line by destroying civilian houses and lives. One report has it that the withdrawal was ordered because of an extensive plan of military operations, calculated to bring the Japanese away from their Settlement base, when flanking and enveloping movements could be made. But, whatever the reason was, we withdrew in a quiet, orderly way.

Now, I am stationed at Huangtu, underneath an old stone bridge, still with my machine gun. There has been a cessation of hostilities for some days. And I begin to wonder. I wonder whether Manchuria can be regained. I wonder when we shall be ordered again to the Chapei front. I wonder what has become of many of my boy comrades, whether they are dead or alive like myself, or receiving treatment in the hospitals. I wonder how those doughboys are getting on, whether they are still throwing cigarettes and chocolates.

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The editor of *Arbeiterpolitik*, organ of the German Communist opposition, who lectured in England as an exchange professor before the War, gives American readers an unbiased analysis of the significance of the German elections.

The Real Trend in GERMANY

By AUGUST THALHEIMER

MR. H. R. KNICKERBOCKER wrote a series of articles on Germany discussing whether or not the four billion dollars of American capital invested there were safe. I will not write from that standpoint, which is of paramount importance to the owners of these billions. In the first place, I hazard the guess that the overwhelming majority of the American people themselves have nothing to do with these billions. Secondly, I presume that the political history of Germany does not have such great respect for these billions that it will base the direction of its development on whether or not they are safe. The history of Germany will be decided very much more by the forces at work in the country itself.

The great mass of the American people has an interest, above all, in becoming acquainted with the political situation and tendencies in Germany as they actually are, uninfluenced by any special interests. The inferences, from the point of view of this or that class of the American people, will then be easily drawn. One people can learn from another. The problems facing the American people are, to some extent, similar to those confronting the German people, though they are not entirely the same. Both countries are being shaken by a great economic crisis. The economic structure of both countries contrasts with that of all other lands in that its industry and banking system are concentrated in the highest degree in mammoth enterprises. One important difference, however, is that American capital has much greater reserves than German. The United States was the chief victor in the World War, and Germany the chief vanquished power. In this respect the two countries represent opposite poles.

However, just this situation is responsible for the fact that present political developments in Germany forecast some important trends in America. The narrow base upon which the economic and political forces of Germany move and the limited reserves at Germany's command are causing the

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political system to develop in the sharpest and most concentrated form and at the most accelerated tempo. Naturally, German history can forecast only some, not all, of the basic trends of American history, nor can it throw light on specific details. But the basic trends that it can forecast should be of no less interest to those intelligent American readers who want to look beyond the immediate present and beyond the borders of their own land than the probable fate of the American capital invested in Germany. And, finally, the owners of this capital could also profit by studying German conditions, because the future of their investments in Germany is tied up with the general history of the country.

THE present political situation and forces in Germany are brought into bold relief by the votes cast in the presidential elections of March 13. Three main groups took part in the elections. The first was represented by President Hindenburg. The second was represented by Hitler, leader of the National Socialist Party, and by Düsterberg, candidate of the German National People's Party and of the Stahlhelm. The third was represented by Thälmann, the candidate of the Communist Party.

The dominant power in the first group is the army, as represented by its generals. Its leaders, next to Hindenburg, are Generals Groener and von Schleicher. Groener was the recent Minister of the Interior and for Defense. General von Schleicher plays a leading rôle in the Defense Ministry. These generals and their immediate military circle are not newcomers to German politics. They played prominent political rôles, sometimes openly, sometimes behind the scenes, during the World War and in the Weimar Republic that succeeded the Empire in 1918. They include a substantial portion of the politico-military staff of the former 'Headquarters.'

Behind them are arrayed the parties that have supported the Brüning Government. The most important of these are the Centre, the political party of the Catholics, to which the Chancellor of the Reich himself belongs; and the Social Democratic Party and the trade unions and other large organizations politically allied with it. The dominating force in the Centre is the Catholic clergy, which is remarkably well organized and has exceptional political training and experience. The Social Democrats, up to now, have controlled the principal ministerial positions in Prussia. All these groups welded the various organizations politically affiliated with them into an 'Iron Front' for a fight against Fascism.

The most important of these organizations are the free trade unions, with over five million members, and the various workers' sport clubs, which have several million members. The Centre Party is also politically affiliated with certain mass organizations, of which the Christian trade unions are the most important. Along with the Centre and the Social Democrats, all the smaller parties—the bourgeois Democratic, Liberal, and Conservative parties, which have supported the Brüning Government—are supporting Hindenburg. These parties, however, are only fragments to-day. The Democratic and Liberal parties, which used to be strong organizations in Germany, are now dying. The middle classes, as well as the petty bourgeoisie, in the past two years have largely deserted these parties, which once had a large membership drawn from the bourgeois classes.

The rapid and violent collapse of these parties reveals the depth and sharpness of the political crisis in Germany. The same condition can also

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be seen in the fact that none of the parties and organizations that are still supporting the parliamentary Republic nominated any candidate of their own for president but that they all lined up behind the general of the national army. Field Marshal Hindenburg and his generals, however, have never pretended to be Democrats, Liberals, or Social Democrats. Hindenburg, in repeated and solemn statements, stressed the fact that he did not consider himself a party man and that he would not permit himself to be politically bound by the parties that chose him as their representative. In this reservation Hindenburg was absolutely open and unequivocal. On the other hand, the parties that placed themselves behind Hindenburg have tried and are trying to gloss over this clear situation. That is understandable. No political party likes to admit publicly that it is surrendering, that it is committing political suicide. That, however, is the fact.

The parties that have supported the Brüning Government have renounced their own political character and political entity. It is one thing for a political party to select as its candidate a general bound to its orders and quite a different thing for it to support a general who openly announces that he is not bound to any party but only to 'his God, his conscience, and the Fatherland.' The monarchs of Germany in the past used a similar formula. Indeed, the President of the Reich in recent years has acquired power that is much greater and less limited than that possessed by Wilhelm II. He has acquired this power not against the opposition of the parliamentary parties, but with their help and approval.

The Reich Government to-day is virtually independent of parliament. The Reichstag is only a shadow. It is still called together now and then for a few days to give its approval to blanket laws that the Government decides upon through 'emergency decrees,' quite independently of parliament. On the other hand, the Government has become completely dependent upon the President's good faith. In the Government itself the greatest power is concentrated in the Reich Minister of the Interior and for Defense. Brüning, the Chancellor, has long ceased to be the leading figure in the Government. The real governing power in Germany is composed of the leaders of the national army.

THE second camp to participate in the presidential elections is that of the Fascists. The leading force here is the National Socialist Party, generally called 'Nazis' for short. Their candidate was their leader, Hitler. This party to-day has a membership of 900,000, according to its own statement, whereas in the fall of 1930 it had only 300,000 members, and it has a strictly disciplined semi-military organization of 400,000 men led chiefly by former officers. In the past two or three years the National Socialist Party has made unexampled progress. Most of its members are petty bourgeois whose poverty has driven them to despair. But the 'Nazi' ranks also include workers who have lost faith in the ability of the Social Democratic or the Communist parties to help them. In addition, a large portion of the membership consists of bourgeois and petty bourgeois young people for whom there are no jobs. But the real leaders and organizers of the movement are not in public view. The real leading staff of the National Socialists consists predominantly of former young officers of the old army, who in the years of open civil war from 1918 to 1923 received their political training and experience in the camp of the counter revolution. Hitler is the dominant agitator and the representative of the party most in the

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public eye, but he is controlled by the above-mentioned circle, which hardly ever appears publicly.

Minor forces in the Fascist camp include the German National People's Party, led by Hugenberg, and the Stahlhelm, led by Von Seldte and Düsterberg. The Stahlhelm is not a political party in the strict sense of the word, but a semi-military union. The German National People's Party and the Stahlhelm represent the 'better class' of Fascists, while the National Socialists represent the plebeian elements of the movement. The German National People's Party and the Stahlhelm are the connecting links between the Nazis and the leading circles in industry, the banks, large landowners, and so on. In the Fascist camp the National Socialists enjoy political superiority by a wide margin. They control the political and politico-military organizations. The social advantage, however, is on the side of Hugenberg because his party plays the rôle of intermediary and enables industries, banks, and large landowners to find an outlet for their social interests within the Fascist movement.

The National Socialists, the German National People's Party, and the Stahlhelm were not able to agree upon a common candidate for the presidential elections; that is, the German Nationalists and the Stahlhelm were not prepared to recognize the hegemony of the National Socialists. The block formed previously by these three sections of the Fascist movement, the so-called 'Harzburg Front,' was broken.

The third camp in the presidential contest was the Communist Party. It put up Thälmann as its candidate for president. It must be kept in mind that the Communist Party hoped to attract some Social Democratic workers who did not relish voting for Hindenburg.

The election was conducted with great energy by all the contestants. The government used its position unscrupulously, forbidding the use of the radio to everyone except Hindenburg and Brüning. Most of the leading figures in the government worked for Hindenburg in the election. The results were as follows. Hindenburg received 18,660,000 votes, or 49.6 per cent of the total number cast. Hitler 11,340,000 votes, or 30.1 per cent; Thälmann 4,980,000 votes, or 13.2 per cent; Düsterberg 2,560,000 votes, or 6.8 per cent. Hindenburg thus received almost a majority of votes.

WHAT do these results signify? If one is to believe all the big bourgeois-liberal and Social Democratic newspapers, it means that Fascism is defeated, that it has already reached its zenith and will now be on the downward path, and that the German people in this election decided for political stability as against extreme left or right.

I should like definitely to warn against these opinions as merely the usual self-deceit of the liberal middle class and of the Social Democrats allied with it. If this opinion were correct it would certainly be very reassuring to the owners of the billions of American capital invested in Germany. But it is not correct. That is evident from a whole series of computations and facts whose significance everyone admits. The most important facts that throw light on the present political situation in Germany and on the immediate future are the following.

In the first place, although Hindenburg received almost an absolute majority, that does not mean that the parties which supported the government command a majority. Rather, it is easily proven that these parties no longer are supported by a majority and therefore that the Brüning Government no longer controls a parliamentary majority. An intelligent Social Democratic

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writer, George Decker, estimates in *Vorwärts* that about four and a half million people voted for Hindenburg on March 13 solely because of their high personal regard for him, but that these voters in an election in which the parties appeared separately with their own lists would have voted Fascist. This estimate certainly is not used against the parties which supported the Brüning Government. If one accepts this figure, however, we find that the parties in question received only about 14 million sure votes, and their opponents 23 million!

In the second place, the Fascists were unsuccessful in immediately receiving a majority and, with it, control. They are, however, by no means beaten. Since the Reichstag elections in the fall of 1930 they have made tremendous advances. In 1930 the National Socialists received 6,500,000 votes; now they have received 11,300,000, almost twice as many. To-day they are by far the strongest single party in Germany. Every third voter in Germany is a Fascist. In the agricultural districts of Pomerania, Lower Silesia, and East Hanover, Hitler and Düsterberg received more than 50 per cent of the votes cast; in other words, an absolute majority. They have also made great advances in the important industrial districts. In Greater Berlin the National Socialists received 665,000 votes, or about as many as the Communist Party. In Upper Silesia the National Socialist vote rose from 63,500 on September 14, 1930, to 185,000 in the presidential election. In the Ruhr, in the same period, their vote increased from 195,000 to 363,000. In the Saxon textile district around Chemnitz and Zwickau their vote rose from 264,000 to 410,000.

In the third place, the direct result of the vote is the strengthening of the authority of the group represented by Field Marshal Hindenburg. What group is this? None other than the leaders of the army. But does this group offer any kind of guarantee that it will not allow the Fascists to get into power? The Social Democrats spread the illusion that it does. That this is an illusion, however, is attested by clear facts. Back in February, the group around Hindenburg attempted to build a government including the Fascist parties. Their effort failed just before its completion because the three sections of the Fascist group could not agree on the division of the government posts. In other words, the leaders of the German National People's Party and of the Stahlhelm were not ready to submit to the Hitler group. As a result, the generals were not ready to hand the whole government machinery over to the Fascists, as the latter asked. Furthermore, the leader of the Centre, Prelate Kaas, made an important declaration to the effect that he was ready to allow his party to merge with a larger group but that this offer was not for the Third Reich. That the Centre Party, which has a very old tradition and exceptionally strong discipline, which was the leading government party in the past year, and which now has a greater influence over the Catholic portion of the population than it has had at any previous time in the recent history of Germany—that this party should make such an offer is most astounding.

What does this declaration signify? How is it to be explained? The position of the Centre, which up to now has been dominant, has been undermined from without and within. The great influence of this party was due to the fact that it held the balance of power between the parliamentary right and left. But the bourgeois parliamentary parties to the right of the Centre Party, like the Democratic and Liberal parties of the middle class, were shattered by the blows of Fascism. They are now

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only pitiful ruins. Thus the Centre has lost its rôle of arbiter.

In the Centre Party, however, pro-Fascist tendencies are increasing. This is especially true of the Catholic clergy, which forms the actual backbone of the Centre Party. The mediæval traditions of the Catholic clergy bring them close to the Fascist concept of the corporate state. These tendencies are supported by industrialists and large landowners who also belong to the Centre Party. This development has progressed so far that the Catholic clergy is already prepared to give up the political influence it has in the Centre Party and join the Fascist parties—with the proviso that the Fascists guarantee and augment the privileges of the Catholic Church. The Catholic clergy is waging an obstinate fight to insure these privileges, but the issue is not yet settled. These facts throw much light on the depth of the political crisis that is shaking Germany. The vote for Hindenburg represents only a passing incident in the development of this crisis, not a settlement or a turning point.

The present political situation in Germany may be summed up in the following sentence: the mainstays of the present government in Germany, the generals of the army and the Centre Party, are already prepared to admit the Fascists into the government but are not yet ready to submit to them completely.

IT is obvious that it is only a short step from this situation to a recognition by the leading groups of Fascist hegemony. The most important forces making for this step are three. First, the National Socialists have established their superiority over the other tendencies and organizations of Fascism. Secondly, conditions are favorable to the further strengthening of Fascism. Thirdly, the mass of the working class is not taking up the fight against the generals of the army and the Fascists.

As far as the first point is concerned, the presidential elections already indicate an important tendency of the two other Fascists groups toward domination by the National Socialists. Moreover, the National Socialists have by far the strongest party machine. Their party organization in the fall of 1930 had 300,000 members. It now has over 900,000. This organization has an almost military discipline.

As regards the second point, no developments have as yet occurred which would reverse the rising tide of Fascism. Such developments would be a quick ending of the economic crisis and a speedy improvement in business that would distinctly and noticeably improve the conditions of the masses. Such a development, however, is not in sight and there is no indication that it is near at hand. Rather do all the facts indicate that the economic crisis will linger for a long time and that an improvement, when it does come, will take place very slowly and to a limited extent. Perhaps the period of the collapse of large industrial firms is not yet over. The balance sheet of the Steel Association, the great German steel and iron trust, is by no means favorable, and all critics who are at all unbiased agree that actually the balance sheet is much worse.

Brüning and Dietrich, the Minister of Finance, have repeatedly pointed out that a whole array of large industrial firms are kept above water only with the aid of the government. The exact nature of this aid is not publicly known. The fact that the government has refused to make it known even to a large parliamentary committee is sufficiently significant. The deficit of the Reich was last given out by the government as 1,160,000,000 marks. For Germany this is a very considerable

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figure. Taxes, however, are so high that they cannot be raised any more. A whole series of increases in taxes lately has led to such enormous decreases in the consumption of the articles taxed that the total tax receipts declined. The favorable trade balance and exports are declining. Gross industrial production in the last boom was estimated by the Institute for Economic Research at 7,500,000,000 but in January 1932 it amounted to barely three billions. Production has shrunk almost to the 1897 level. A further reduction in wages and a further lowering of the state's expenditures for the relief of the unemployed are in prospect. Under such conditions only those with illusions can expect that the Fascist tide will recede, and it is obviously a stupid error to assert that it is now falling back.

Another factor that could swing the balance against Fascism would be for the present Government to bring about a decisive change in German foreign policy. The question of reparations stands out prominently here. But the Brüning Government is still confronted by the same dilemma that it has faced during its whole existence. If it grants the political concessions demanded by France from Germany in return for the large loan without which the latter apparently is unable to emerge from the economic and financial crisis, then the Government would be swept out by an assault of the national opposition, although the latter would be ready, after seizing power, to make the same concessions. If the Brüning Government, however, does not make these concessions, the economic and financial conditions will continue to become worse and the leading industrial and financial circles will rely more and more on Fascism to put through even more drastic measures than the present Government dares to attempt.

An energetic attack by the mass of workers could fundamentally change the situation. Facts, however, show that there is as yet no likelihood of any such offensive. The majority of workers have placed themselves under the leadership of Social Democracy and of the generals and expect from them the saving of whatever still remains of the parliamentary republic. That portion of the working class which is ready to take an independent fighting position and which gathered around the candidates of the Communist Party has since the fall of 1930 hardly increased absolutely, and in comparison with the National Socialists has fallen back.

The whole conclusion to which all the facts I have mentioned lead is the exact opposite of that now generally current in Germany. My conclusion is that the political crisis in Germany is in no wise ended or improved but that it faces a further deepening and sharpening. The presidential elections have produced only a short, temporary breathing spell that has not changed the general, fundamental trend of the political situation.

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Britain's foremost Roman Catholic apologist, the man who converted G. K. Chesterton, writes a powerful appeal for the human values. Here is a strong corrective to the mechanistic determinism so widespread nowadays abroad.

Machine *versus* Man

By Hilaire Belloc

From *The Listener*
Weekly organ of the British Broadcasting Corporation

Man seeks truth. He attempts to arrive at reality. He is the only animal that feels this curiosity and acts on it; just as he is also the only animal that laughs, that worships, that speaks, and that thinks rationally. In other words, he is the only animal that is not an animal. There are many ways by which man arrives at a truth. He arrives at a moral truth by his conscience, he arrives at a mathematical truth by deduction, he arrives at a truth on beauty or on order by his æsthetic judgment. But one special way, applying only to one sort of truth, is by repeated experiment with material objects.

Man can learn what are called the 'laws of nature' by watching how similar objects behave under similar circumstances; and, by repeating the experiment, he confirms his certitude that the process is invariable. In making these investigations man confines himself to what is measurable. To deal only with what is measurable, to make the measurements accurate, to confirm them by repetition, is called the 'scientific method' whether it is applied to chemical phenomena, or to astronomy, or to archæology, or to documents. So long as you are dealing with a material object that can be measured and with the reactions of material objects among themselves you are practising what is called in modern language "science," but it is most important to remember that when you are dealing with other things, which cannot be subjected to such a process, which cannot be exactly measured, which cannot be experimented with continually under identical conditions, the scientific method does not apply, and the pretense that it does and that we can arrive through it in these matters at the same sort of certitude we have on physical laws is nonsense. Mankind has always possessed physical science arrived at by repeated experiment, so far as we can go back to any record of man or vestiges of his action, and physical science has, among other forms of search for truth,

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this particular importance, that by it man has acquired the power to control to some extent his material surroundings.

He achieves this mastery by the use of instruments that science enables him to produce. He produces them by combining various forms of scientific knowledge. These instruments we call tools and weapons. In their more complicated forms we call them machines. But it is important to remember that there is no essential difference between the simplest instrument, such as a saw, and the most complicated piece of modern machinery, such as a motor-car. They are all of them the products of combining the results of experiment and observation in physical affairs. The number and capacity of such instruments naturally increases with the process of time, if man be left with the opportunity to add to his knowledge. But we must further remember that he has never had continuous enjoyment of such opportunities. There have been setbacks as well as advances, and when there have been setbacks in the process the number and capacity of the instruments that man can use declines. Such loss occurs not only by wars, plagues, and natural catastrophes, but also by fatigue and by a change in the objects men set before themselves. Men may change from a mood in which they desire more and better instruments into a mood in which they desire something quite other, so that the search for new instruments and even the capacity for continuing to make the old ones diminish.

There are plenty of examples in history of big jumps forward in this respect, also long periods of neither advance nor retreat, and other periods of decline. There must have been a big jump producing all the main old tools of carpentering, sculpture, and building, a jump that took place long before our earliest records. There was clearly a decline that began in our part of the world about 1,700 years ago, and then there was a long period of many centuries when things were more or less stable, without advance or retreat, with the use of the same instruments from generation to generation. The time in which we live is the latest phase—perhaps the climax—and quite possibly the end of a very big jump of this kind; and the characteristic of that time in our part of the world with men of Western European stock is a great development in the highly differentiated instruments we call machines, and side by side with them a great development of applied scientific knowledge in other forms.

THIS change has powerfully affected the life of our generation. Within living memory applied science has transformed great fields of social and individual action, and if we extend our limit to somewhat more than a century its action is still more apparent. In the presence of such a disturbance all men are moved to ask themselves certain questions. These questions are often put confusedly and the answers to them ill thought out, but they can all be resolved into two main questions that are set for solution to our generation. Unless a right answer is reached to each of them we shall suffer. These two questions are, first, 'Is the possession of a new instrument a good in itself?' and, secondly, 'How far are we controlled by instruments; are they our masters, or are we masters of them?'

Of these two questions the answer to the first ought to be self-evident. The presence of a new instrument is in itself neither good nor bad. The only good or bad about the business is the use we make of that instrument.

Take a simple and fundamental case. It was found scientifically by experiment and thus established by proof that

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iron, if fashioned as a thin blade, could be given a sharp edge by rubbing it against certain other substances. It was found by experiment that iron grew soft when it was heated and got hard again when it became cool. It was found by experiment that if you hit a soft thing with a harder thing you can change its shape. By the combination of these pieces of scientific knowledge man got the instruments called the knife and the sword. Man had produced these novel things by the use of science, but they lay there before him neither good nor evil. He might use them for good or for evil, and which he did depended upon his mind. He could with sharp iron fashion wood for a shelter against the weather, or cut another man's throat in a fit of bad temper, or his own in a fit of depression. What has been true of the knife, for we know not how many thousands of years, is true of the flying machine to-day or of the latest explosive or the last poisonous chemical. It is neither good nor evil in itself; the good or the evil resides entirely in its use, and that use resides in the intention of man. The mind governs.

It is the second question that is the more important and certainly the one that is now most disturbing and most continually occupying the modern mind. How far are instruments our masters? Or how far are we the masters of them? It is quite obvious that in some degree every new instrument, if its use be permitted, will affect human life. We say, talking loosely, that the invention of the plough turned men from pastoral to agricultural communities. We say that the invention of the railway both created great cities and compelled men to the new form of travel. I repeat, the phrases are loose and metaphorical but in practice they will serve, for in point of fact a new instrument providing some good leads men into the habit of its use and that habit produces a network of other connected habits by which man is in some degree controlled. But in what degree? Everything lies in the answer to that question and, indeed, all the more important questions set for mankind depend upon this point of degree.

What we have to determine is not whether machines in part control mankind. Of course they do. Nor whether we may not on occasions subject them to our will. Of course we can. But does the initiative lie *mainly* with us, with our wills, as individuals and as groups of individuals, or are we in the main the passive subjects of blind forces that our own activities have let loose?

Now the answer that you hear most commonly in this country, that is given almost universally in great sections of society, and that is widely heard everywhere is that we are controlled by these things we have ourselves created. The initiative remaining to us is a minor factor in the business as a whole; the effect of the instrument upon us is the major factor. Is that answer the right one? At bottom the discussion is simply the old discussion that dates from immemorial time between destiny and free will. If the general answer comes to be given permanently against free will, one type of society will result. If the answer is given the other way another and almost opposite type of society will result. Of such moment is the debate.

The conviction against free will is reinforced by propositions that pretend to be scientific and that would establish as a fact based on proof and admitting of no denial that human action follows upon forces extraneous to the will. But these affirmations are not scientific. The experiments cannot of their nature be identical or continuous or universal. We are all conscious within ourselves of the action of the will, and if we call it an illusion we do so because we have accepted a certain mentality, phi-

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losophy, or mood, not because we have reluctantly admitted the case proved against us by experiment. To think otherwise is to put the cart before the horse, for it is historically certain that the conviction of destiny and the denial of free will came long before the insufficient and inconclusive experiments that pretend to decide the matter by observation.

The belief that man is controlled by his environment and not his environment by man is powerfully reinforced to-day by a mass of regulation and constraint more widely spread in some societies than others, but evidently present in a higher degree everywhere throughout our civilization than it was even a generation ago, and far more than it was a lifetime ago. A uniform type of education is imposed by the state upon the mass of its citizens at a moment when their minds are being formed as children. In adult life every detail of action becomes more and more subject to external regulation, and under the pressure of such a political mood men naturally tend to the general philosophy that man is not a free agent. 'The slave,' said the wise men of antiquity, 'thinks like a slave.'

The feeling is further reinforced by an historical argument. We are told that the historical process has always been as follows: first a new material environment; then a change in the mind of man effected by that environment. Thus we are told that the invention of the printing press was the main force in producing both the Renaissance and the Reformation. We were told not so long ago that the use of steam in travel would weld men together into one nation. Now we are told that instantaneous communication of ideas by telephone and telegraphy and far more rapid transit than steam ever gave have just the opposite effect and make human enmities more bitter than ever. The two conclusions are contradictory, but they spring from the same source. Each takes it for granted that the machine is the master of men.

IN this great debate, the fundamental debate of our time, the arguments upon the other side are less often heard. It is with these I would conclude. They are of two kinds, the ones drawn from observation and therefore themselves essentially scientific; the others pragmatic—that is, drawn from the consideration of consequences; relying upon the results that would follow in practice if the false philosophy were to be adopted.

The argument from observation, the strictly scientific argument against the false and only so-called scientific conclusion that the instrument is the master of man, is simply this. That, if you look about you, if you concern yourself with actual evidence and not with guesswork or hypotheses, the evidence is against the constraint of man by machinery. It is against the thesis that man is the creature of his environment. This you can see in two ways. First, that the great mass of restriction to which man is subjected in the states that suffer most from such things is in no way the result of any modern scientific development but wholly political. Secondly, from the equally plain evidence, that the degree of restriction varies very greatly between different countries and that the variation has nothing to do with scientific attainment.

Again, it is not historically true that the instrument preceded the mood. Capitalism, for instance, had already been established before modern machinery came in to serve it, and that machinery might just as well have served a different form of society. It is not true that the great movements called the Renaissance and the Reformation proceeded from the capital

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invention of printing. They used it when it came, but their origins were prior to its coming. The mood of the Reformers, the mood of the Renaissance scholars and artists was earlier by two or three lifetimes than the mechanical changes at the end of the Middle Ages. So far as evidence and reasoning go the argument is all on that side. Instruments affect man, but man can control them, and his destiny depends ultimately not upon the dead object he himself has framed but on the attitude of himself.

Now when we take in its last place the practical argument, I find it the most conclusive. But even for those for whom it may have no intellectual value it must have a political value. It is this. If we do not exercise our freedom of choice, if we do not react, as we are capable of reacting, against the uniformity of a mechanical civilization, then we perish. A mechanical civilization is almost a contradiction in terms unless we give the word civilization the mere meaning of 'state of society.' A mechanical civilization or culture in the sense in which we talk of the civilization or culture of Rome and Greece, France and England, Byzantium and Venice—their traditions of beauty in building, in letters and the plastic arts, their tradition of debate in philosophy and religion, their whole body of multiple thought and achievement—is a contradiction in terms. To be mechanical is to cease to be civilized. And for this reason, that the culture, the fruition, the happiness of society, its possession of a living soul, depend upon the faculty of choice in man. The very essential of life is multiplicity and variety proceeding from the manifold human spirit, that one necessary factor without which a human society ceases to be and according to the degree of which it is a higher or a baser society.

We have before us, I think, in this considerable modern crisis, this conflict between the machine and the man, a plain duty, which is to use our wills everywhere for the defense of will, to make it our choice to invigorate and multiply choice. We must guard what is left of our freedom and extend it, we must fight collective control, we must mistrust the expert, we must question restriction wherever it appears, compelling it to prove itself necessary (as clearly it must be in particular cases), throwing the weight of proof upon the enemies of liberty and taking the rights of individual selection for granted. We must, in the economic sphere, fight not for greater collectivity of property but, on the contrary, for greater distribution of it, for the small unit against the large one, for the self-governing guild against the merger and the combine. And these things we must do because the opposite policy—that which we have all been pursuing too long—leads rapidly to death.

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The Africa of Trader Horn exists only on the motion-picture screen. Here is the real thing described by an Austrian lady fresh from a visit to Kenya.

East Africa SPEAKS

By ALICE SCHALEK

Translated from the *Neue Freie Presse*
Vienna Liberal Daily

WHEN I landed at the port of Mombasa the government was good enough to have me met by an Indian police official, beautifully decked out in silver and khaki. Our German East African steamer, *Ussukuma*, had been made fast to the big new pier, which still had room for two other large ships, and the Indian was soon showing me more docks that would do honor to any European country. All the while I compared my preconceptions with the surprising reality that I had discovered.

How do educated Europeans acquire their notions of remote lands? From books by travelers who have been there and also, nowadays, from moving pictures. Yet, strangely enough, there is one time-honored idea dating back to the age of discovery that has fastened itself on Europe and cannot be uprooted. Even modern travelers bow to this idea and thereby strengthen it. For everyone who has visited East Africa tells of having adventures there, since that is what the people at home expect. I am therefore afraid that I shall disappoint my readers if I try to make it clear that there is no more adventure in East Africa to-day, that the African adventures which appear on the motion-picture screen are artificially produced by tricks and deceptions. I am going to be so bold as to reveal modern Africa as the home of numberless white people and as the potential home of many more.

Darkest Africa? Not at all. I found myself in a very clear, sunny, beautiful country with a charm all its own. For two shillings a taxi took me over smooth white automobile roads shaded with trees to the Palace Hotel, which is four stories high and has a little stone balcony built out in front of each room.

I can still see with my inner eye the perplexed individual who came to console me before I left Vienna because the warnings of some of my anxious friends had made me turn to him for advice. He had been an official in Kenya for four years and this is the way he described it to me: 'There is a five-o'clock tea dance every day in the Mombasa and Nairobi hotels and even the hotel at the foot of Kiliman-

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jaro has hot and cold running water. There are moving pictures and banks and very fine shops.'

The man mentioned Kilimanjaro because its name sounds exotic, and he was quite right about the modern hotel at the foot of this mountain. But there is running hot and cold water in every hotel, even the smallest, and they all offer comforts far superior to those held out by German and Austrian tourist resorts. The Palace Hotel in Mombasa lives up to its pretentious name. In none of the modernized African hotels does one suffer the inconvenience that bothered me so much in South America, where the hotel rooms open into a lobby and one must either sit cooped up in the dark or leave one's door open and encounter the inspection of every passer-by. Here in Africa the doors open in sections. Nor are there any of the mosquitoes and gnats that swarm so plentifully on the banks of my native Danube.

The hot season begins in December but the villas along the seashore are always cooled by ocean breezes. Except in the hot season one can walk in the sunshiny streets at noon quite comfortably. This would be impossible in the Dutch East Indies, which also lie on the Equator, as well as in British India, which is much farther north. Yet here in Kenya nobody ever thinks of walking, for everybody has his own automobile. Roads and automobiles have made Africa what it is to-day, but they have not been developed to such a point that one is justified in urging Europe to follow Africa's example. Africa is opening up more and more all the time. Every day it loses a little of its old romance, causing native Africans to lament, 'This is n't Africa any more,' as if modern Africa were not Africa, too. Even their souls are dominated by the idea that Africa must always be wild and dangerous.

Traffic at street crossings is regulated in European style by black policemen who enforce the law strictly. The result is that the European ruler, the 'Bwana,' takes good care not to make mistakes. Fines are imposed immediately. The main street, which is lined with banks, movie houses, modern shops, and hotels, has developed tremendously in the past three years, and the side streets leading to the native quarter where the 'boys' sleep at night are just as clean. There is no comparison between the native quarter of Mombasa and a native town in India, where there is nothing but filth, noise, poverty, and foul smells. The people stood about smiling at me. Nobody begged, and I am firmly convinced that there are hardly any cripples among the East African Negroes.

AN Austrian friend of mine has been living here for nearly thirty years as the head of a well known firm that has branches in almost all the other towns in Kenya. I found his son-in-law at the main office, for my friend himself was in Europe, and this young man and his wife took me on an automobile trip all through Mombasa. First we crossed the big new bridge that runs to the mainland from the island on which Mombasa is situated. Here a new residential district is to be built. A development company has bought up all the shore land at great expense but expects to make an even greater profit in real-estate speculation. At present, however, business is bad. Even old firms are closing their branch offices and cutting the pay of their remaining employees. The word 'retrenchment,' which was brought into use by the countries hardest hit by the depression, is applied here even by the government, and the new governor is already known as the 'retrenchment governor.' Many officials are being dismissed, or, if they have served their time, are being pen-

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sioned off. The government is retrenching, business is retrenching, and the settlers are retrenching even more. I had an opportunity to study day by day and at first hand the results of the economic crisis on a colony given over chiefly to producing raw materials.

My tour of investigation took me past the lovely bathing beach. The people who live by the sea go for their health to Nairobi, which is six thousand feet above sea level, while the mountain inhabitants make pilgrimages to the sea. We then visited a new Indian school and finally drove along a road bordered by splendid tropical palm trees to the dwelling place of my hosts. During the drive they talked of nothing but hard times. Their chief complaint was Indian competition, which has brought down prices and reduced the white people to a precarious situation.

The Indian problem in East Africa is as pressing as in India itself. Here the Indians have inserted themselves between the Europeans and the Africans. They have been allowed to make their way into all the occupations which Europeans cannot pursue on account of the hot climate and which the black natives are not yet able to master. Since the white men are playing the part of rulers they feel that they cannot do manual labor as carpenters, tailors, and shoemakers. The fact that the whites do not engage in these occupations is often brought forward, especially by the government, as an objection to the argument that East Africa can become a white man's country. But the European inhabitants always reply that the wrong type of European comes here.

The government offices employ cheap Indian clerks known as 'babus,' and manual labor is performed by cheap Indian workers known as 'fundi.' But now Indian shopkeepers and bazaar proprietors are arriving. They can live much more cheaply than the whites, they can undersell the whites, and they are often able to ruin the big white merchants on account of the credit that the latter extend. Yet the wives of white merchants who are being ruined by Indians do their shopping in Indian bazaars because they are cheaper. Meanwhile, the Indians become richer and the Europeans go from bad to worse. Nevertheless, the Indians still occupy an inferior social position. They are demanding equal voting rights and are asking to be let into moving-picture houses and hotels on terms of equality. At present Indians cannot stay in European hotels. They cannot even eat there, and at moving-picture houses they must sit in a special section of the house. In the legislative council they have far fewer seats than their numbers warrant. Yet in 1930 there were six thousand white immigrants and fifteen thousand Indians.

ONE can tell from the houses that all the whites here are gentlefolk. During my first evening, which I spent with a fellow countrywoman of mine, I expressed my amazement at this, but she only smiled, for previous visitors had accustomed her to this astonishment. On her leave of absence at home she is always asked, 'How can you stand it in Africa?' Yet here she sat under an electric fan with electric lights at a table covered with a white cloth (for my Viennese friends always laid out a tablecloth, whereas the English just put doilies under their plates). We had hors-d'œuvres, a fish course, an entrée, a salad, and dessert, and I found all the same things to eat in a hotel in the middle of the jungle. I am still surprised at having found bathrooms with hot and cold water wherever I went, and I also discovered that the Frigidaire is one of the most popular of household furnishings. Perhaps all this luxury in a new country

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is one of the causes of its economic crisis, quite apart from the world situation, but who can blame Europeans if they want to live as comfortably as they can in remote, exotic lands? I still remember how I had to abandon my ideas of adventurousness and of camping out in shacks and tents like those I had found in the Chaco and in other newly settled parts of South America. But the one thing I cannot understand is why the African films that we have seen never show these wonderful cities, roads, railways, automobiles, houses, hotels, and villas. Are the producers afraid that people will admire them less for trying their luck out here? It seems to me much more remarkable that a jungle should be transformed in this way than that there should be wild animals in it. It is ridiculous to be astonished that people should emigrate to Africa, for they almost always live better out here than they ever dreamed of living at home.

Of course, the basis of all this comfort has recently been undermined. A land living exclusively on agriculture stands or falls with the prices of raw materials, which are now sinking to nothing. Coffee, except the very best, corn, cotton, and tea are less and less profitable to raise. Rubber, tobacco, and wheat cost more to produce than they can be sold for. I talked with bankers, coffee merchants, and exporters in the chief shipping centre of this district. They told me about the emigrants, many of them pensioned generals, admirals, and officials who had never worked and who had no aptitude for it. These men would buy far too much land, hire far too many black laborers, build themselves elegant houses, and buy fine automobiles. Then their whole capital investment would be lost. During the good years before the crisis they would leave their farms and take vacations at the capital, drinking champagne and living like lords. Now they have no money left. They borrow from the banks to pay their laborers until their mortgages are foreclosed, but since the banks can seldom find purchasers the former owners remain on their property as managers.

The British Government does not like what is happening. It has to support these people in their wretchedness and try to persuade them to come home again. 'Africa,' so runs the Government's argument, 'is not destined to become a white man's country.' The Government wants to preserve it for the blacks. It wants to teach them to cultivate their land themselves, since they can do it more cheaply than the whites. No great harm can come to the blacks when prices fall, for at worst they will merely live from hand to mouth as they always used to do. The whites look askance at this Negro policy. They say that the government officials would rather deal with tractable savages than with people who wish to have their say about everything. None the less, the Government insists that its policy is just and humane. This is the origin of the expression 'paramount,' which has inflamed all of East Africa ever since it first appeared in a so-called White Paper published in London. What it means is that the interests of the natives are more important than the interests of the Europeans.

No country in the world greeted me with such wonderful hospitality as East Africa. A painful injury permitted me to experience this hospitality in its fullest degree, for I broke my arm and had to spend three weeks recovering in the house of a good lady in Nairobi. From there I went to visit another lady who did not know me, but who asked me to stay with her in the Nyeri coffee district. In this natural paradise in the

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northern part of the country, nearly six thousand feet above the sea at the foot of Mount Kenya, the marvelous coolness of the climate, the mountain sunshine, the plentiful water supply, and the virgin soil combine to bring forth the best coffee in the world.

Mr. Trench, in whose hospitable home I stayed, was summoned from Jamaica by the Kenya government thirty years ago as a coffee expert, and he planted the first coffee bush in this district. Since then he has spent all his time cultivating the land, having had only about a year to himself. But the district over which Mr. Trench had been put in charge pleased him so much that he gave up his government position in order to devote himself entirely to his agricultural pursuits.

Mrs. Trench told me that she had been concerned over her husband's decision, because it meant giving up a safe job, a lovely official residence, and regular vacations, and saddling themselves instead with the uncertain life of a farmer. A succession of good years followed in which a fine house was built with its own electrical plant, bathrooms, and a tennis court. They were able to buy several automobiles, subscribe to periodicals from all over the world, and lay out a garden with roses and bamboo trees. We spent the evening sitting about an open fire with cats and dogs, listening to the radio. I was amazed to find that my hosts had a typewriter, a phonograph, an ice chest, poultry, carrier pigeons, a football field, golf links, and books, for I had imagined an African farm as something quite different. There were no mosquitoes, no fever, no netting over the beds. It is a blessed country that brings forth strawberries, asparagus, lettuce, bananas, pineapples, peaches, and mangoes.

But all this wealth was developed during prosperous years when one hundred and seventy tons of first-class coffee Number A were grown every year and sold at £150 a ton. Now various insect pests have reduced the output to seventy tons and the price has declined to £70 a ton, coffee of lower quality bringing at most £45, so that anxiety has entered this lovely home. None of the three hundred workers could be dismissed, as the plantation had to be cared for incessantly, otherwise it would revert to jungle in no time.

On the morning of my arrival I was met by the young son of the house, who showed me over the plantation, which lay at the foot of Mount Kenya, which rises seventeen thousand feet above the sea. Its clear-cut, cone-shaped silhouette could be seen from the garden. The hilly country surrounding the mountain is as fine as any park, and soft grass grows even in the uncultivated patches. First we came to a native village surrounded by tall banana trees and by some fields of corn that had not been devoured by grasshoppers like those in the Nairobi district.

I then saw between me and the mighty pyramid, the heaven-piercing, snow-capped peak, avenues of trees that had been carefully planted along the automobile road to protect the coffee bushes from sun and wind, the bushes being laid out in square fields that looked like a checkerboard. Mrs. Trench had planted each one of these trees herself and now she is proud of her work. Her son could speak Swahili, the language of the seacoast-dwelling natives that is understood all over Africa and that is prescribed by the government as the official language in all the schools, often against the desires of individual tribes. The young man also spoke Kikuyu, the language of the tribe that lives in this district. Having been brought up in the coffee country, he understood the peculiarities of the black workers as well as those of the

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plants that he cultivated, but he did not want to make any use of this valuable knowledge, but instead wished to go to England and become an aviator.

I HEARD strange things about the Kikuyu tribe of Negroes. They refuse to live in a house in which anybody has died. Such houses must always be torn down. The mortally sick are therefore taken out of doors, covered with branches, given a drink of water, and left to their fate. Everyone knows that leopards will soon devour them and that hyenas will eat what remains.

Formerly, the land of the Kikuyus bordered the land of the Masai, the most warlike and powerful Negroes in Africa. The Masai kept invading the territory of the much weaker Kikuyus, seizing their women and taking away their cattle. The Kikuyus therefore lived in the depths of the jungle. They did not keep any poultry for fear that the cackling would reveal the location of their huts. Only recently have they resumed raising poultry, now that the government has assigned a strip of territory between the two hostile tribes to the white settlers. This practice, which is common in Africa, has succeeded everywhere, even in Nyeri, where it has caused the Masai, who will not work, to move away. In the old days, they lived on plunder; now they graze their cattle on the wide plains that have been given to them. In this part of Africa the white men have not taken away land from the blacks.

'Our plantations were good,' grumbled Mr. Trench in front of the open fire, 'but now the interests of the blacks are supposed to be paramount.' For the settler and government officials have very different ideas as to the future of the country. Those who live on the land know the natives and do not believe that they are able to develop good farms for themselves. Each individual worker must be supervised, otherwise weeds will grow everywhere. 'What does an automobile left in the hands of a black chauffeur look like?' they exclaim. 'We are simply protecting them from themselves, from their superstition and their overbearing princes and medicine men. Whatever we give them they ruin at once. They have n't got a single chair or lamp in their villages, not a single hammer or nail that they have made themselves, or that they have started to use on their own initiative. As long as they are poor and ignorant they are dependent. As soon as they can do anything,—and they are hard to teach,—as soon as they become chauffeurs or mechanics, they become impudent, independent, and ungrateful. I had a football field built and provided them with uniforms and a ball but as soon as they began playing they wanted to be paid for doing so. My mechanics, whom I spent six months educating, are now competing with me.'

The officials laugh at such objections. 'Certainly, our farmers would be delighted to pay the lowest wages possible and do nothing whatever themselves except play the part of great rulers.'

'Let the government leave us alone,' the editor in chief of the *East African Standard* in Nairobi, the one big newspaper in the country, said to me. This newspaper was founded by a German called Meyer who is now mayor of the capital city. All Europeans, no matter what nation they come from, agree that the ideal relationship of patriarchal trust that now exists between master and coolie is destroyed by developing and educating the native and that no good can come of it, because 'the boy is now completely happy.' Education creates nothing but impossible wishes, discontent, and dissatisfaction.

The missionaries are of quite a different opinion. I visited the Italian Cath-

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olics from Turin in Nyeri, men who are growing the best coffee in the vicinity. While we were inspecting the huge plantation, which was given to the Italians in return for the aid they provided during the War, Mr. Trench expressed his whole-hearted admiration. The coffee bushes were standing in rows like soldiers. They had plenty of leaves, and the soil was well cared for. But he shook his head a little at the principle followed by all African missions, which educate the natives and instruct them and make them into real people in return for unpaid labor as carpenters, shoemakers, farmers, and chauffeurs. The government, which leaves almost all education in the hands of the missionaries, only paying the teachers a fee, regards this exchange of labor as fair play. Be that as it may, the figure of the missionary as an unselfish hero of his belief, sacrificing his life in the jungle, is one of those strange ideas that have persisted from earlier times, for now the religious fathers are living much better in their lovely houses on their big plantations than their worldly brothers at home.

The 'mission boy' has rather a bad name out here. People fear him as an agitator, but every black person one meets who knows English, behaves politely, and wears clean clothes is a 'mission boy.' The pupils of the mission come from the jungle. All their accustomed ways of living must be changed, and it is extraordinary how quickly this happens. The boys and girls are eager to learn. They are crowding into the mission schools, where they learn quickly, the girls sometimes becoming nuns. In the carpenter shops they make their own doors, windows, and furniture, which they hand over to the mission. They make shoes for themselves and for their revered parents. They can read and write and they go through gymnastic exercises perfectly and proudly. For my part, I received conflicting impressions, since I had just been visiting a spick and span plantation. Yet these missions are to-day almost the only places in East Africa where the Negro is developed.

EDUCATION is bound to improve the social position of the women. Among the Kikuyus all the work is done by women. They carry wood and water and cultivate their little fields while their husbands work as boys in the city. Once a year the husband gets a vacation in which to visit his wife. He then undertakes the long journey home on foot, taking his savings with him in the form of silver shillings—for he has no faith in paper money—and spending it developing his land or buying a new wife.

Every extra wife means greater wealth. In marriage neither feminine beauty nor affection has any value. A woman is worth whatever her labor can produce. One has to pay a real price for a wife, giving a good cow in exchange. If the wife later runs away, endless disputes arise, which the provincial judge has to settle. The husband demands his cow back, as well as the calf, if the cow was pregnant when the transfer occurred. Family feuds arise under such circumstances and rival parties go to the office of the district commissioner, who is looked upon as a father and who is entrusted with the settling of all disputes that used to be settled with spears. Now, however, the country is completely peaceful. One can travel alone at night through the jungle and one can leave all one's possessions lying about in a house that has no doors. One's nearest neighbor is often a mile away. One can live perhaps a thousand times more safely and comfortably on a farm in Africa than in any rural district in Europe.

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BOOKS ABROAD

LE NŒUD DE VIPÈRES. *By M. François Mauriac. Paris: Bernard Grasset. 1932.*

(From the *Journal de Genève*, Geneva)

HATRED is often only a smoldering anger against destiny. Calvin in his *Christian Institutes* said that 'hatred is only deep-rooted wrath.' In his new novel, *The Vipers' Nest*, M. François Mauriac illustrates Calvin's statement, showing us an unhappy man who sets about hating those closest to him in order to take revenge on himself for having failed to inspire them with love. He is a lawyer of great reputation, the son of peasants, rude and without charm. He has been successful only in the world of affairs, never in the world of sentiment. He does not dare to give himself for fear that no one will accept the gift of his heart. He is gorged with his own rancor and thinks that he is being nourished by it, though he is really letting it devour him. Possessing a large fortune, he uses all his vast intelligence to deprive his children and grandchildren of it. They, meanwhile, flatter him and spy upon him, all the while thinking, not without cause, that they have the best reasons in the world for detesting him. 'What a horrible subject,' you will exclaim. 'How can this terrible fellow interest us?'

It is here that M. Mauriac's talent is revealed with an emotional power that it has never before attained. This terrible fellow is marvelously human. He is a false monster. Beneath the hatred that is this man's whole excuse for living one divines the richness, which he himself does not suspect, of a suppressed love that cannot expand, though it lives and burns. Beneath his dry egotism is a humble desire to give himself and devote himself. Beneath the brutal exterior of this surly, materialistic miser, an interior drama is going on of a poor soul eager to believe and love.

M. Mauriac's hero is a good man made wicked by his surroundings, a man who devotes himself to wickedness because he thinks that is his only way of gaining some pleasure. The mediocre people who make up his family think they are good and just, and with their miserable vanity they triumph over a man who is at bottom their superior. He seems atrocious, though he might have been virtuous. The others think they are virtuous, although they are guided only by self-interest. Anybody judging the members of this family from outside will be gravely deceived.

No novelist succeeds as well as M. Mauriac in evaluating the tragedy of the most ordinary, prosaic, and apparently tranquil situations. Nobody knows as well as he how to open and illuminate the abysses in certain hearts that beat to the rhythm of a simple, uniform life. Here are people living good, bourgeois lives, endowed with the most common qualities and defects. Their aspirations are peaceful, their ambitions possible, their egotism reasonable. Each of them thinks he is following the dictates of his conscience, which is perhaps somewhat easily satisfied. But when they suddenly come into contact these characters defy and tyrannize each other. If they had not met one another they might have been almost happy. Thus two harmless foods taken together may form a violent poison.

The Vipers' Nest reveals to us the tragedy of mutual incomprehension in the life of a family, with all its suspicions, black thoughts, and murderous desires. The powerful originality of the

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author resides in the way he places his tragedy in a setting so slightly tragic. What do this grandfather, this grandmother, their children, and grandchildren lack to enjoy life tranquilly? The ability to accept each other mutually. They constantly recoil from one another, and finally they are swallowed up by their passions in their efforts to escape from themselves. We follow them with an ever new interest because we know them better than they know themselves. We divine their secret sentiments, their mistakes when they think that they are satisfying themselves by satisfying their bad instincts, and their unexpected aspirations for fresh air and clearness. *The Vipers' Nest* consists of all those misunderstood interests that become entangled and then struggle to free themselves. It also consists of those dormant vices that a single word awakens, vices that stifle the heart, envenom relationships, and poison the atmosphere of a house.

M. Mauriac attaches you intimately to his characters, giving you on each page the impression that he is aiding them with all his strength. An invisible and attentive leader, ready to lend them a hand, he watches their most fugitive expressions of inspiration. There is no artifice here, no attempt to edify; only truth matters. Yet truth reveals beneath the morass of egotism and rancor a need for love and goodness. Though profoundly sad, this novel does not leave one with a feeling of sadness. It offers an admirable lesson in comprehension, humanity, Christian humility. It teaches us not to take our interests, in whatever form they may be disguised, as an irrefutable argument; or our reason, however arrogant it may appear, as final; or the wrongs of others as justifications for our own misdeeds. Finally, it teaches us that the bitterness of hatred can only awaken our grossest appetites without ever satisfying our thirst for light and life.

THOUGHTS ON GERMANY. *By Richard von Kühlmann. Translated by Eric Sutton. London: Macmillan and Company. 1932. 10s. 6d.*

(Dr. G. P. Gooch in *The Observer*, London)

KÜHLMANN'S reflections on the causes and consequences of the World War will be read with hardly less interest in England now than on their publication in Germany at the end of 1931. For the author speaks with the authority of one who has himself played a prominent part in the drama, and he is sufficiently known in British circles for us to wish to learn his views. What is still more important is that he possesses a singularly cool head, and that he can judge events in broad perspective. His book is short, and might have been even shorter, for some imaginary dialogues at the end add little to its worth. But it is full of wisdom and insight, and his impartiality is extraordinary. He loves his country, but love does not make him blind.

The most arresting feature of the volume is the analysis of the relations between Germany and Austria. 'Bismarck's marvelous achievement was only a partial solution of the eternal German problem, an imposing façade that was largely wanting in basement and foundation. It tore asunder a thousand-year-old bond of fellowship, and left in existence at the side of the German Empire an Austro-Hungarian Monarchy in which the beloved figure of the monarch, the splendor of the greatest and wealthiest aristocracy on the Continent, and the prestige of the ancient, rich, highly civilized city of Vienna masked the truth that this was a slowly decaying state in which an intensifying principle of nationality had implanted the seed of death. In point of fact, the new German Empire could not be regarded as having emerged from the danger zone as finally consolidated until the question of the

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dissolution of the Austro-Hungarian Monarchy had been finally cleared up. It was with this fearful handicap that the new German Empire began its career, and under this fearful handicap William II ascended the throne. The task presented to German policy by the inevitable dissolution of the Austro-Hungarian Monarchy, the task with which history confronted William II, was hardly to be solved without a bitter struggle for existence. But the fact that the task was there, that it was the essential political problem, was not clearly recognized by anybody.'

That the Hapsburg Monarchy was inevitably doomed would still be contested by many well-informed Austrians; but the thesis appears to our author so incontrovertible that he does not stop to argue it. Starting with this assumption he naturally convicts the post-Bismarckians of fundamental errors, both in East and West. In the former they destroyed what little was left of their hold on Russia, with nothing to show for the sacrifice but the Bagdad railway, 'which combined the minimum of commercial advantage with the maximum of political encumbrance.' In the latter the naval policy drove England into the arms of France and Russia, thereby tilting the balance against themselves:—

> So long as England remained outside the Russo-French alliance, Germany had the prospect of maintaining peace, and in the ultimate event of war she could be certain of never being utterly defeated.

The obvious duty of Germany, with France and Russia on each flank and an ally who was a liability rather than an asset, was to increase her army to the uttermost, instead of needlessly alarming England and adding her to the number of her potential foes:—

> Those allies would have brought no courage to the fight had they not been fairly certain of English support. England's adhesion made the coalition overwhelming. The entry of England into the War was mainly determined by the existence of the German fleet, and that was why the construction of that fleet was so disastrous a political blunder.

There is plain speaking with a vengeance, and these pages should destroy the baseless legend that Kühlmann pursued a bellicose policy of his own behind the backs of Metternich and Lichnowsky. All three—and, indeed, every German who understood England—knew that the *Flottenpolitik* was a fatal mistake.

THE struggle of 1914–1918, declares Kühlmann, was a war for the liquidation of Austria—'a terrible but probably scarcely avoidable step in the further development of Europe.' A brief chapter on the World War, as we should expect, condemns the naval authorities for the declaration of unlimited submarine warfare, which brought America into the fray and destroyed the last hope even of a drawn battle. The Kaiser, like the Chancellor, was against it; but they were overborne by an excited public opinion and a Supreme Command, and Germany drifted to her doom.

An equally brief chapter on the Treaty of Versailles pronounces it the worst and the most unwise of the comprehensive settlements of modern times, which fulfilled Bismarck's terrible prophecy that the loser in the next great war would be bled white. He also condemns the humiliation inflicted on the German delegation during the negotiations. Count Brockdorff-Rantzau, we are told, never forgot or forgave the treatment to which he had been subjected, and the resentment motived his subsequent policy. The Treaty registered the momentary distribution of power in Europe, and the situation of 1919 soon passed away. It was the merit of Briand, at once a far-

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sighted patriot and a good European, to work toward a readjustment; but his task was complicated by the fact that he was in advance of public opinion in France, and by the impatience incessantly surging up in Germany under the pressure of dire distress.

A long and interesting chapter on Germany since the War describes an achievement that the author holds to deserve a place beside the much-advertised Five-Year Plan. The German people had to make two recoveries, the first from defeat and revolution in 1918, the second from the collapse of the mark in 1923. The latter, he declares, plunged the generation on which the blow fell into the most appalling misery. And yet, taking a long view, he believes it to have been for the best to inflict the entire burden of the sins and errors of the past on a single generation rather than to mortgage the national inheritance. The internal debt has been practically wiped out, and the reparation plan is unlikely to be carried out in its entirety. Yet Germany is to-day struggling against a host of difficulties —the world crisis that began in 1929, the burden of short-term loans, the lack of fluid capital. The economic outlook at the moment could hardly be worse.

Economics and politics form an indivisible whole, and the economic distress finds expression in the appeal of Bolshevism and Fascism. 'Nothing impresses Germans so much as energy,' declares Kühlmann, 'or rather the gesture demonstrative of energy. A fist banged on the table brings a certain sense of relief, and its subsequent result is not very carefully thought out.' The author is much too wise to seek a remedy in dictatorship, to which he devotes a suggestive chapter, and he pays high tribute to the Weimar Constitution. Its faults, as he sees them, are the vast constituencies that substitute party lists for personalities, and the lack of a Second Chamber less entirely dependent on the caprices of opinion. These changes could be made without a revolution, for there is still a majority for democratic self-government.

Though the author exposes with almost ruthless clarity the errors of the past, and describes without suppression the perils of the present, he is sturdily optimistic in regard to the future. The intention of destroying Germany, he asserts, has failed, and no farseeing statesman can possibly doubt the complete recovery of her position as a Great Power. Despite the vicissitudes, the setbacks, and the errors of the past decade, her feet are on the upward path. 'Under wise political guidance, to what heights might not this wonderful people rise?' It is doubtful whether Kühlmann himself, who has long exchanged diplomacy for business, will be called on to take an active share in such creative leadership. But in these stimulating chapters he has rendered a valuable service to his countrymen in their days of affliction by exposing the errors of the past, by reminding them of their achievements since the collapse of the old régime, and by expressing his unshakable confidence in the resurrection of the Fatherland.

ÉPAVES. *By Julien Green. Paris: Plon-Nourrit et Cie. 1932.*

(Jacques Decour in the *Nouvelle Revue Française*, Paris)

AFTER passing the Trocadéro the Seine enters mute, sombre regions, flowing past heavy, middle-class houses that look sightless and empty lots that seem made for crimes. In this provincial setting one often encounters well-dressed men who move slowly and look like subsidized loafers. They are the inhabitants of this bizarre quarter who have come to saunter along the Seine, letting themselves be carried along beside its dark waters like flotsam. They

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are creatures of shadow and it is chiefly by night that they wander along the bridges and quays. Philippe is such a person, a handsome, soulless fellow who has a hard time getting used to the meanness of his own character.

What torments Philippe is his nullity. He has inherited a large fortune and enjoys good health. He lives in a rich, overwhelming, stuffy apartment with his wife, who deceives him, and with his sister-in-law, whose singular kind of love, with its element of contempt, he disdains. He is stifled in this flat existence, in this house where too many mirrors reflect the useless, stupid beauty of his body. He goes to the muddy, macabre Seine to look for a little liberty there, but it is always himself that he finds, cowardly and vile. He lacks the courage to throw himself into the water and remains in a world in which he is superfluous.

Julien Green has never written a more profoundly negative novel. The characters in *Flotsam* have not got a single element of grandeur. They even live in ignorance of the kind of despair that is fruitful. They are incapable of lively passion. They never see the faintest ray of sunshine. They are consumed by mortal boredom, by horror of themselves. They lack the courage to abandon themselves to their instincts. They are hemmed in by exterior constraints: gloomy luxury, impeccable clothes, a house of pompous ugliness, and the hypocrisy and formality of their social relationships. They are completely and utterly the victims of nothingness.

Must the characters in a novel evoke our sympathy? Of course, the sunshiny figure of a Fabrice holds our interest and charms us more than the sombre Philippe, but we cannot say that we have nothing in common with this anti-heroic man. Haven't we our own depths of meanness and cowardice? Moreover, Philippe, with his uselessness and organic boredom, represents the end of a social period, the decadence of a class that is being extinguished by anæmia. Julien Green's genius is precisely suited to making such atrocious characters come to life. Philippe, with his horrible, balanced flatness, does not bring into any of his acts the enthusiasm that Adrienne Mesurat possessed. He is undoubtedly the worst creation of them all, which means the finest. Such an art is the very antithesis of light, but not of life, for such people really exist. Julien Green approaches them with the fervent and perverse love of a sculptor of Gothic gargoyles.

HISTORY OF THE GREAT WAR. BASED ON OFFICIAL DOCUMENTS. MILITARY OPERATIONS, GALLIPOLI, VOLUME II. *Compiled by Brigadier General C. F. Aspinall-Oglander; maps and sketches compiled by Major A. F. Becke. London: William Heinemann, Ltd. 1932. 15 shillings. Volume of maps, 4s. 6d.*

(Captain B. H. Liddell Hart in the *Daily Telegraph*, London)

THE story told is that of one of the most moving and tragic episodes in all our history; indeed in all history. Considering that this is an official history, it brings out not only the tragedy but the folly with a vividness and an honesty that are truly remarkable. And at the same time the history brings out the compensating elements of high endeavor and fortitude, as well as the belated skill shown in the last phase—of withdrawal. Thus, if the reader is left with an appalling sense of failure, the sting of defeat is drawn and even the failure rises above the pettiness of human frailty to the immortal sublimity of a fate-ruled tragedy.

This impression is a great tribute to the author, General Aspinall-Oglander. Rumor has it that departmental objections caused numerous 'cuts' in the book. But if the volume glides over a number of critical issues, it cannot be

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said to gloss them over, and it at least provides ample warning for future generations.

First and foremost is that of the ill effects, accumulating at compound interest, of a government policy that was so indeterminate and confused as to be no policy. Its disastrous influence on the original naval attempt and subsequent landing is already well known; this volume shows that it continued until the end. By the beginning of May the Government knew that the first attempt had failed, owing largely to inadequate force. Yet two months passed before it was decided to reinforce Sir Ian Hamilton with five divisions, and enable him to make an effective fresh attempt.

This governmental fumbling is to some extent explained by a change of government—to the first Coalition Ministry. Another factor, rather glided over in the history, was the way the British Command in France begrudged and resisted any diversion of force from the theatre where nothing could yet be achieved to the new theatre where immense opportunities offered. Still stronger was the obstruction introduced by the French, which is now officially revealed in its full force. Joffre, indeed, is shown as the 'villain of the piece.'

Nevertheless, when all allowance has been made, the root of the trouble would seem to have been that the statesmen did not understand war. They had not the confidence to judge between the conflicting advice of the experts, to decide upon a policy, and to maintain Britain's historic strategy against the Continental delusions by which many of the experts were insnared. The one statesman who comes out well from the Gallipoli history is Mr. Churchill, almost the only one, significantly, who had made a study of war. He knew war—and he knew his own mind. He foresaw what the enemy leaders feared—as the history shows. It was owing to him that Sir Ian Hamilton was sent the force that would have fulfilled those fears. But it was in disregard of Churchill's insistence on the time factor that the force was sent too late.

In the early summer more men were actually sacrificed in vain assaults in France than the total that need have been employed to open the Dardanelles. In the late summer double that number —a quarter of a million—were freshly thrown away as sheer loss in France. And, eventually, when Gallipoli was abandoned in deference to the catchword of 'concentration against the main enemy,' a total of 400,000 men were still kept away from the battle in France as a necessary guard against the new activities of the lesser enemies.

This was as many men as we had sent to Gallipoli in all, as many also as would even have been required for a third effort to open the Dardanelles. For, by our failure, we had set free our enemy; added a new enemy—Bulgaria; sacrificed an ally—Serbia; and ensured the doom of our largest ally—Russia. 'Too late' is the verdict not only on the Gallipoli campaign as a whole, but on every step in it, the minor tactical steps included. For the failure of the statesmen was unhappily paralleled by that of the military leaders on the spot, with less excuse and more incompetence for their job.

The military leader who comes out best, if not scatheless, is the commander in chief—Sir Ian Hamilton. He was the man to whom most may be forgiven, both because he was so hindered by the Government's procrastination and because his handicap was augmented by his own loyalty to superiors who desired to economize in Gallipoli in order to concentrate in France.

I have not the space to recapitulate that amazing chain of 'irresolutions' by which Stopford, Hammersley, Sit-

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well, Johnston, and lesser fry forfeited the chances and frittered away the hours while opportunity yawned wide on an enemy-deserted shore. Has there ever been anything more grimly comic than the spectacle of Stopford, governed by a newly acquired but second-hand pedantry, cogitating the necessity of a deliberate trench-warfare attack on trenches that he had every assurance did not exist?

How incredible, if it were not fact, the 'action' of this elderly general who, after arrival in Suvla Bay on the night of August 6, settled down to sleep on board without sending anyone ashore or wondering why no news came from the shore, and who on the afternoon of the 8th was still on board—not having once been ashore to see even his divisional commander! How he spent his time during those forty hours is one of the subjects that the official history glides over, although it tells us much about how the Turkish reserves were hurrying to the scene, and about Mustapha Kemal's driving energy. Yet if the failure was that of individuals, the fault was that of a system—that system which chooses leaders by seniority and prefers safe men to men who are bold in thought and action. So much the official history implies, although it does not emphasize the lesson. What a price we paid, and are still paying, for neglect to reform such a system!

LES DEUX SOURCES DE LA MORALE ET DE LA RELIGION. *By Henri Bergson. Paris: Librairie Félix Alcan. 1932.*

(Edouard Julia in *Le Temps*, Paris)

A NEW book by Bergson is an event of the first importance. When one of the dominating spirits of our epoch gives us a kind of illustration of his spiritual experience, how can we fail to profit? Having pushed psychological penetration to the limits of verbal expression, M. Bergson introduces us to the symphony of his thought and holds us prisoner with his charm, which delights us like a piece of music. Attacking those moral phenomena that always hold the ultimate attention of philosophers, M. Bergson on this occasion concludes by discussing social phenomena. This is the only aspect of his teaching that we shall discuss here, though the book itself contains material that could be discussed indefinitely.

Man, cooped up in the city, is led to respect law by a pressure that comes from education, tradition, custom, and acquired habits. But his intelligence, in leading him to innovate, breaks the framework and gives birth in his heart to an heroic sense of duty that summons him to one does not know what—progress, supreme pleasure, self-sacrifice, and so on. His genius, which is merely the release of an *élan vital*, arrays itself against nature, to which he wants to bring a personal order. This presumptuousness makes him noble and too often leads him to struggle for ambitious aims beyond his resources. Nature, in short, has foreseen 'a certain extension of social life through the intelligence,' but not to the point where this would threaten her sovereignty. Through his pretensions the individual ends by endangering the original structure of society and by deceiving nature, either through learning how to avoid procreation or through attempting to extend social solidarity and human brotherhood and trying to reconcile in the name of fraternity those two hostile sisters, liberty and equality. He therefore tends, if not to break with nature, at least to create a second nature that will be, in Spinoza's formula, a nature that is developing, a nature that is being formed, that is becoming perfect, as against a nature that has been fixed and crystallized. And that is the problem of life, with its unforeseen and unforeseeable relationships, which

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makes man into a kind of machine that is always trying to break his servitude, to get out of himself, 'a machine that fabricates gods.'

Bergsonian heroism has but little in common with the heroism of Emerson, who attributed common virtues to great men but believed that these virtues were intensified by being devoted to the pursuit of the true, the beautiful, and the good. Emerson said that it was man's business to triumph over chaos, to scatter the seeds of science and poetry so that the climate, the grain, animals, and men could be happier and so that the germs of love and good will might be multiplied. But this naïve point of view assumes a nature organized for amelioration.

Bergsonian nature is not of this order. It has created for man 'conditions of life that render war inevitable.' Here, then, is the worst of the evils at the basis of an existence that will perhaps lose its whole meaning if it is delivered from these evils. 'The origin of war is property, individual or collective, and since humanity is predestined to property by its structure, war is natural.' Will it be prevented by judicial means? Desirable as these means may be, it is unlikely. For the essential causes of armed conflicts are the growth of populations, the loss of markets, and the lack of raw materials, and the most serious of these three causes is overpopulation, which must be some day rationalized. As for the two others, they can be neutralized by a certain renunciation, an abandonment of that desire for luxury and well-being which has attracted the efforts of humanity ever since the fifteenth century and which has taken the place of mediæval asceticism.

It is possible that religious frenzy may win the world away from the pleasure which it now associates with happiness and that the mysterious attractions of the beyond may cause the world to direct its efforts toward an immortal life. If we simplified all our tastes and appetites the machine would give us leisure instead of complicating our needs, and then we could apply ourselves to spiritual or at least non-material ends. 'Man will not rise above the earth unless some powerful tool gives him a point of support.' It is possible that if science directed itself toward psychical research it might put us in touch with the unknown land where dead souls live. Thus an enlarged scientific experience would develop that would force us to see a constant vision of the beyond and that would turn us away from precarious joys, throwing us into a belief whose first element would be simple living.

Thus M. Bergson arrives at a religion that differs but slightly from those that we know, one that could not be based on a miracle but only on scientific normalization. Of course, everything is possible, but communication between the living and the dead is too incredible a hypothesis in the present state of our knowledge. There is no need for that rational substratum to faith, which we can do without as we have in the past. There is no need for terrors above or below the earth, or for rewards in paradise. None of these things is necessary to teach us the lesson of wisdom, which consists in contenting ourselves with little during our voyage through reality.

To remain in the economic field, which seems quite narrow in the face of such perspectives, it does not seem to us that modern civilization flies in the face of the moral evolution of humanity. What causes crises and wars is the unequal intellectual and material development of various races. If international communications were allowed to develop freely instead of being artificially checked, a common level would be established by the natural force of exchange, and there would be no need

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of regulation or adjustment, for compensations would be made without difficulty. The benefits of machinery, from which some nations are now profiting, would be extended, and the lower forms of labor, which are indispensable to life, would be confined to the cultivation of modest individual gardens. Some day, perhaps, material existence will be ordered in such a way that its automatic workings cannot be thrown out of gear. Then the garden of spirituality will regain its value. Candide's orchard, as outlined by Voltaire, is quite agreeable with its flowers of the field. What good would it do to use it to cultivate Proserpine's asphodels and pomegranates?

SPAIN'S UNCERTAIN CROWN. *By Robert Sencourt. London: Ernest Benn, Ltd. 1932. 21s.*

(Sir Charles Petrie in the *Sunday Times*, London)

THIS is not merely a very good book; it is one of the best books on Spain in the English language. With a mastery born of intimate knowledge of his subject the author describes the strength and weakness of the Spanish Monarchy, with which, as he rightly says, is bound up the history of Spain, from the days of Charles IV down to the revolution of last year. He deals with the tragi-comedy of the Bourbon submission to Napoleon, with the degradation of the Crown under Ferdinand VII, with the stormy reign of Isabella II, and with the progress made under the Restoration.

Against this lurid background Mr. Sencourt places Don Alfonso XIII, and his account of that monarch's difficulties and of the way in which the King endeavored to overcome them is the most informative and dispassionate that has yet appeared. The author's balanced judgment enables the reader to weigh the various forces at work, and it will be a long while before so valuable a contribution to the understanding of an important international problem again makes its appearance.

Mr. Sencourt is no admirer of the Spanish Republicans, and he has no belief in the future of the Republican régime. He says Spain has already paid dearly for the overthrow of the Monarchy, and in a brilliant analysis of present tendencies he shows that stability can be regained only by a return to the old order.

At the same time this book is no uncritical panegyric of the dethroned dynasty. Mr. Sencourt makes no attempt whatever to disguise the fact that King Alfonso committed very serious blunders. He made the mistake, so common to monarchs, of isolating himself from the leaders of his country's thought, with the natural result that the latter joined the ranks of his adversaries; his lack of a continuous policy undermined his position, particularly after the fall of General Primo de Rivera; while his determined opposition to decentralization made the regionalist movement anti-monarchical.

Perhaps the most dramatic account in the whole book is that of the last night that the Queen spent in the Royal Palace at Madrid, with the mob howling beneath the windows, and the author deals with one aspect of it that will bring a blush to the cheek of many a reader:—

> To save them [the Royal Family] from danger, the Royal saloon had been sent out to the Escorial the night before, and there was some little delay while it was hitched on to the train. A British officer approached the Royal party. 'I suppose you have come from your Embassy,' said Don Gonzalo. 'No, sir, I have not,' answered the officer. No one had come from the British Embassy that awful night, that awful morning. The Embassy of His Britannic Majesty was, as those of His Catholic Majesty were soon to be, under the orders of a Socialist.

This book should be read from cover to cover.

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LETTERS AND THE ARTS

Unpublished Anatole France

QUANTITIES of new manuscripts by Anatole France have come to light in the library of Mme. Gaston de Caillavet, his guardian angel. Most of these items are rough drafts which Mme. de Caillavet made him recopy, and she later gave the copied manuscripts, which had no erasures or corrections, to the Bibliothèque Nationale. But her collection also includes some hitherto unpublished work. One of the most interesting fragments is the sketch of a typical Parisian lawyer entitled *Monsieur Patru*. We feel that no apologies are necessary for giving over a considerable portion of this department to a translation of the opening passage of this description.

Monsieur Patru

M. Patru is the ornament of the Paris bar. He is a little old man, rosy and round. His cheeks shine. His probity shines. His probity glistens like a scarf pin. It is professional. It is social. It is magisterial and distinctive. M. Patru is a man of order, a man of his own order, a man of all order and of no disorder. In politics he is liberal. His programme can be expressed in three words, as well as in a hundred: 'Order, progress, liberty.' He arranges these words in various ways, the most frequent being, 'Progress in order by liberty.' He is president of a progressive liberal committee, writes manifestos, and makes speeches at private meetings.

During hours of agitation, at moments of crisis, M. Patru manfully conceals his sorrow and maintains a patriotic silence. He is neither seen nor heard on the day when a mounted military escort follows M. Déroulède, whom he considers a modern Bonaparte. His temperate eloquence expands only during periods of calm. Since the country is tranquil at the moment, M. Patru spoke yesterday in the Hôtel des Céréales before a meeting of young progressives.

He is one of the most highly esteemed orators of the old bar. He excels in diction. Others surpass him in abundance of words and movement of ideas. There are some whose minds are more lively, whose oratorical effects are more powerful. But M. Patru has no equal in the art of speaking. Art does not exist in nature, and though he imitates nature he does not confuse himself with nature or lose himself in it. He always remains apart. With accomplished art, M. Patru has created for himself a way of speaking that has none of the articulation natural to man. His feeble but distinct voice seems to be coming from such various sources as a flute, a whistle, an harmonica, a keyhole, a bell, a rattle, a weather vane, a water faucet, an Æolian harp, a bottle that is being rinsed, and a key ring that is being shaken. Never would one imagine that it came from a human throat. It is the murmur of a brook, the rustle of dead leaves, the rattle of hail against the window pane, the buzz of a swarm of bees, the chirp of little birds in their nest, the whistle of the autumn wind in the chimney. It takes the form of thousands of gentle noises, irritating and pleasant, sharp and soft, loud and quiet, that marvelously suggest the spoken word without ever resembling it closely. Hence the exquisite impression of art one feels in listening to Attorney Patru. And that is not all. The source of this artificial voice seems artificial itself, so that when one watches M. Patru speaking he looks like an automaton. You think you see a talking automaton hewn out of wood, not softly but with heavy strokes, by a skillful artist who knew that if one did not at once recognize that the figure was an automaton one's interest in it would be entirely lost and who therefore took care to paint it in bright, shining colors so that nobody could make a mistake. Hence that impression of harmony that one feels in looking at Attorney Patru and in hearing him.

And the things one dreams of! Not in vain do his vocal chords, happily transformed, resemble the sounds of all kinds of innocent little things; not in vain has he the air of a figure sculptured out of a good block of wood. He escapes the fate of all the in-

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congruities of living nature and reveals himself as completely social and completely congruous. There is a fundamental antagonism between nature and society. Nature is incongruous, society congruous. The less natural one is, the more social one is. M. Patru is completely social.

His language is in accord with his figure and diction. It suggests the Palais de Justice and the Chamber of Deputies, but in chastened form. Although the language of the Chamber and the Palais is agreeably surprising when it is chastened, it is not enough to say that the language of M. Patru is chastened. It is punished. It is penitent. Words file out of his lips like whipped school children. They seem like good little brothers and good little sisters being taken to Sunday mass. This makes a devout impression on you. It breathes the atmosphere of the good old days when education was called 'chastisement,' or, in Old French, '*castoiment.*'

Not that M. Patru has the ideas of the old régime. He is bourgeois and bourgeois liberal. Nor is he a severe man. He does not affect austerity. He is indulgent. He does not take pleasure in sorrow and he often shows himself jovial. He has brought up his children gently. If he punishes his own style he does so only because he was taught in college that a style is good only if it is chastised, pitilessly chastised. Since then he has chastised his phrases without hatred or anger, without effort.

How shall I say it? His phrases chastise themselves, purify themselves, become of their own accord virgins and cherubim of political and legal eloquence. Just as his language blends with his figure and his voice, so his ideas are in accord with his language. They are absolutely social. M. Patru's thought avoids nature. It modestly flees the caresses of the ardent Physis. It is not physical, it is moral. It is not material, it is ideal. It does not consider the labors of life, the troubles of the flesh, the ardors of the blood except in the august form of the legal document. It does not recognize human sorrows and joys unless they are put in order, related to competent administration, purged by statistics, governed by the legislative decrees that apply to them. M. Patru moves in the serene regions of the law and enjoys the contemplation of a world magnificently covered with stamped paper.

A New British Playwright

HIS name is Ronald Mackenzie and his new drama, *Musical Chairs*, has been described by Desmond MacCarthy in the *New Statesman and Nation* as 'the best play by a new dramatist I have seen for many years.' The scene is laid in Galicia after the War and the plot deals with an Anglo-Jewish family who are hanging on to some property in the hope of striking oil. The chief characters include Wilhelm Schindler, the easy-going, warm-hearted father; his wife, a former Mrs. Preston, whose first husband died before she married Schindler; her daughter, Mary Preston; and Schindler's son Joseph, the offspring of an earlier Mrs. Schindler who has since died. One of Joseph's brothers, who has lived in America, turns up with his American fiancée, Irene Baumer, a hard-boiled modern type yet capable of real feeling. She falls in love with Joseph, whose life has been embittered by the thought that he may have been responsible for the death of an Austrian girl whom he loved and who was killed during the War by a British air raid in which he participated. The Schindlers finally strike oil and are about to sell their property when Mary Preston, Joseph's stepsister, who is secretly in love with him, tries to drown herself the morning after she has seen him going to Irene's room. Joseph rushes after her and is himself drowned trying to save her. She survives.

According to Mr. MacCarthy the play shows happy traces of Chekhov's influence. Joseph, disillusioned, nerve-racked, and musically gifted, is a sincere character; the father, in spite of his frivolous affair with a servant-girl, is more serious than his heavy spouse; the American girl, whose morals are also unconventional, comes through the tragedy with nobility. Comedy predominates until the last scene of the last act, which shows the family about to leave Galicia after Joseph's death. It is at this point that the audience learns how much the father cared for his lost son and how much deeper emotions Irene feels than Mary. The sudden shift from comedy to

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tragedy transforms all the chief characters and reveals them as just the opposite of what they seemed to be in their more frivolous moments. Visitors to London will certainly not want to miss seeing a play which is so splendidly acted, so well produced, and so inherently worth while.

Culturism to the Rescue

THAT European civilization is threatened with imminent destruction is a theme not unfamiliar to our readers. Having printed so many warnings, interpretations, and prophecies of disaster, we therefore take pleasure in reporting the birth of a movement to combat the forces of darkness. The Association Internationale pour la Defense de la Civilisation, also known as The Universal Union for Cultural Advancement, which has just been founded in Paris by Nicolas Lippe de Lipski, has begun issuing a monthly bulletin entitled *The Culturism* that contains French and English versions of identical articles. Although M. Lippe de Lipski asserts that 'one does not judge the merits of a book by its cover,' his own photograph dominates the first page of his first issue. It shows the founder of Culturism seated in his study, clad in elegant black, wearing a stiff collar, a dotted necktie, and a Charlie Chaplin moustache. His temple, which is crowned by an immaculately parted head of curly black hair, rests on the first two fingers of his left hand, while in his right he grasps an Eversharp pencil which is scratching away at a pile of papers on the top of his shiny desk.

The opening editorial, 'What is Culturism?' makes the aim of the movement luminously clear. In fact, the list of its backers really tells the whole story: Their Highnesses the Prince and Princess Andrea of Russia, Prince Karageorgevich, Count de la Rochefoucauld, Countess de Poray, Baroness du Puget-Théniers, Count d'Espierre, Baron Lalia-Paternostro, Prince A. Poutiatine, Baroness Wrangell, Miss Eve Stuyvesant, and Mme. Fichet. But we live in a democratic age and the noble advocates of Culturism, not content with raising Miss Stuyvesant—who also happens to be the editor of the paper—to their own intellectual if not social rank, also admit that 'it is requisite that a new dynamic force be created, powerful enough to unify families, classes, and nations.' Karageorgeviches, Rochefoucaulds, and Stuyvesants not only will stop quarreling with their sisters and their cousins and their aunts, but will fall upon each other's necks until finally Russians (White ones, that is), Frenchmen, and even Americans live together in harmony. Obviously the intellectuals are the only group qualified to carry out such a mission, for 'to join Culturism means to help yourself and serve the world for the well-being of humanity.'

The two middle pages of the magazine are devoted to a manifesto written by Nicolas Lippe de Lipski and set in capital letters throughout. We reproduce the English version of his message in full, retaining a few of the typographical features of the original:—

To All Thinking People

Civilization is in danger!

Intellectuals of all nations, do you realize the profound change that has taken place in the souls of all people, and tends to destroy and disperse the great treasures of our civilization accumulated through centuries of effort?

Intellectuals of all nations, will you allow this fatal event to befall, that demagogic baseness be permitted to retard and disintegrate the progress of humanity? No, never! A civilization is great if composed of the virtues of mankind; it is immortal if inspired by the ever-growing power of spirit. Culture only can renew and develop this power and virtue.

Intellectuals of all nations, get together for this great crusade of spirit, begun with so much ardency, good-will, and eagerness by the new movement.

'The Culturism'

Intellectuals of all nations, everyone of you can render enormous service in the cause of saving our civilization by taking a stand against human inertia, skepticism, and all powers dissolving the strength of the spirit of man.

We aim to make of our programme a new universal law for the defense and the comprehension of 'patrie,' family, and tradi-

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tion, to educate mankind in an appreciation of the greatness of our civilization.

Intellectuals of all nations, join our movement, give your support and enthusiasm to people inspired with your own ideas, who without interest, prejudice, or restraints have set forth to struggle for the triumph of the spirit of mankind. Come with us!

But perhaps these instructions sound a little vague. Let us then add the following sentence, also from the writings of Lippe de Lipski: 'Society finds itself to-day in a morass of dormancy because the majority of people let themselves drift in a state of apathetic inaction.' How fortunate that a minority of Lipski-led intellectuals are preparing themselves to make the world safe for aristocracy.

Pagan England

NOSTALGIA for the vanishing countryside is a powerful force in contemporary British literature. Thomas Hardy owed much of his popularity to his exploitation of a background dear to the native Englishman but dull to the foreigner. Eden Phillpotts, T. F. Powys, Maurice Hewlett, and all the nature poets strike a similar note. Nor is this love of the soil purely literary. It affects the daily lives of millions who have been introduced to city life more abruptly than the inhabitants of the European mainland, where urban communities have flourished since the Middle Ages.

Because England was an agricultural nation with only one metropolis until the industrial revolution transformed the scene overnight, its few surviving rustics have been able to preserve many strange customs and beliefs. An essay in the *Saturday Review* of London entitled 'Pagan England' and written by L. F. Ramsey lists some of the superstitions that still exist. In Sussex, for instance, Mr. Ramsey was told that elder trees which used to be sacred to Pan in pre-Christian times must never be cut down and the result is that they grow in many inconvenient spots. Tamarisks, which flourish along the southern coast, are never brought into the house and tamarisk hedges are left untrimmed, a relic of the ancient Egyptian belief that tamarisks grew over the grave of Osiris. Many forms of tree worship survive, the decoration of houses with holly at the Christmas season being one of them, and in many parts of England there is a strong superstition that hawthorn blossoms will cause death if brought indoors.

The belief in a power of evil takes many forms. Mr. Ramsey says that he once found an old man who had cut a boy's hair burying the cuttings. When asked why he was doing this the man replied, 'They say if the birds was to get hold of the hair while they're nesting, the boy 'ud have headaches all the time the eggs was hatching out.' Of course the rustics themselves do not know the origins of such practices. If a person sits staring into the fire, a countrywoman will turn over the log, but she probably does not know that she is doing it to avoid the evil eye. And when a horseshoe is nailed with the ends pointing upward over a pigsty the owner of the pigs probably does not realize that the shoe represents the horns of the devil. Mr. Ramsey has also seen a bottle tied over a pigsty on the theory that evil spirits would enter into it instead of into the pigs. The reason why so many superstitions centre about pigs is that they used to be sacred to Demeter and were therefore forbidden to the Jews. Hares and frogs are considered creatures of good omen, but snakes are still looked upon as serpents were in the time of Medusa. Mr. Ramsey knows a countrywoman who swallowed several snails in the belief that they would cure tuberculosis, and he concludes by saying that all the superstitions he describes are still widely held.

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AS OTHERS SEE US

The Impregnable Dollar

WHILE President Hoover and Speaker Garner were doing their best to create an atmosphere of panic at the prospect of an unbalanced budget, the London *Times* devoted a leading editorial to pointing out that there is no need whatever for the United States to balance its budget and there is no immediate danger of the dollar's going off gold:—

Rightly or wrongly, the nervousness that so many Americans felt was not shared in the City here. It is easier, of course, to take a calmer view at this distance, where the effects of an American crisis, disastrous as they would be, would not be felt so immediately or so directly as in New York. The American deficit in prospect for the coming year is, it is true, colossal, but if it is compared with the vast (and still largely unexplored) taxable capacity of the country, it will be seen in a more reasonable perspective. Nor is there any real danger at present that the Government will be either persuaded or compelled to resort to an excessive inflation of the currency. Even if the worst came to the worst, it would still be possible to fill up the difference between government receipts and payments for the next year or so by borrowing without endangering the financial stability of the country—so long, that is, as investors kept their heads. Since the War the United States Administration has succeeded in redeeming debt at a rate that might fairly put to shame less rigorous governments. The total sums devoted to sinking fund have exceeded $10,000,000,000 (£2,000,000,000 at par). The meeting of another year's deficit by borrowing instead of by taxation ought not therefore to leave the credit of the Government very seriously impaired. A moderate dose of inflation could hardly suffice to drive the dollar off the gold standard, seeing that the United States still possesses something like a third of the world's total stock of monetary gold. Indeed, an upward movement of prices in America, provided that it is properly directed and controlled, would be of immense benefit to the world, which is still groaning under the intolerable increase in the real weight of debts caused by the devastating fall in the gold price level that has taken place during the past two and a half years.

The London *Economist* says that only an American flight from the dollar could cause trouble, a statement that is hard to reconcile with Mr. Hoover's opinion that sources outside the United States are impeding recovery:—

In the case of such a country as the United States, with its creditor position on foreign payments account, its surplus of exports over merchandise imports, and its holding of well over $1,000,000,000 of 'free' gold, it is a long step from one or two unbalanced budgets to enforced recourse to the printing press. During the past decade the internal debt of the United States has been enormously reduced, and such expansion of credit as would be brought about by Treasury borrowing for budget purposes would not necessarily be alarming or even disadvantageous. Even if the present Congress, notwithstanding the great untapped resources of America, should shrink from imposing sufficiently drastic taxation to obviate some deficit in 1932–33, it is difficult to foresee a resulting situation that would drive the dollar off the gold standard, unless public opinion in America became so alarmed as to the future that a wholesale domestic flight from the dollar developed.

America's Moral Crisis

THAT America has reached the end of an epoch but not the end of its civilization is the contention of Bernard Faÿ, French author of lives of Washington and Franklin, who knows the American scene at first hand. Writing in *Le Figaro*

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on 'The Moral Crisis in the United States,' he says:—

To many Europeans the American is preëminently a bluffer. Most cultivated people in the Old World have accepted the picture that Sinclair Lewis has drawn of the new continent as the kingdom of advertising, where everyone is incessantly praising himself and everything that belongs to him or comes in contact with him, so that in this way he may increase its value and be able to sell what he has to offer at a higher price on some fine day. But at the present hour the Americans speak more evil of themselves than any other people in the world and seem to have a lower opinion of themselves. In France, England, Germany, and Italy, when our writers declare that we are the most vicious or violent or humdrum people on earth, they hasten to add that there are two faces to the medal. Our old nations are used to criticizing themselves, but most of the criticisms that we bring to bear are a refined form of flattery. The American, on the other hand, overwhelms his country with a brutal condemnation unrelieved by any nuances.

What has happened to this people that used to be so rich and proud that all Europe was jealous of them? What sudden psychological evolution has led them to criticize themselves so harshly, to hate themselves so brutally? Are we witnessing the rebirth of some old Puritan instinct, or does the just balance of everything in this world decree that a period of egotistical exaltation must be followed by a wave of passionate humility? Two factors are responsible for the moral crisis that the United States is now passing through. The upper classes in the United States have always had a hard time living in surroundings that are stimulating to young and active people but cruel to older people whose activity is declining. The stimulating atmosphere of the New World, the nervous energy of this nation of pioneers, the haste with which it had to build up everything, make everything, and change everything in a world where it never had time to stop for a minute made social refinements and artistic pleasures very difficult. High society, whether in the North or the South, whether in Boston, New York, Chicago, or New Orleans, regarded old Europe, with its slow, regular rhythm and its stable, perfected institutions, as a model worthy of envy, and those who tried to create an American kind of pride, like Theodore Roosevelt, had no illusions as to the difficulty of their task. They went about their work feverishly, not daring to look too closely into the eyes of their companions.

For a long time they succeeded in winning the support of young people and crowds. To the mob they offered new pleasures and satisfactions. They held out to them real equality of a kind that permitted each person to get the most he could out of himself. They plunged everyone into an ocean of activity and electricity in which action was as intoxicating as pleasure is in the Old World. Finally, they furnished great human masses with the unaccustomed, stimulating pleasure of well-being.

This well-being did not take the form of simple material satisfaction. What happened was that poor Italian, German, Czech, and Greek immigrants discovered that men had finally achieved superiority over things that had previously oppressed them. The condition of well-being that existed in the United States from 1880 to 1930 exercised a moral, poetic influence that Europe cannot understand. It transformed millions of miserable immigrants into proud, audacious, handsome people. Go to the American colleges and see what has become of the sons and grandsons of sordid immigrants and you will understand the spiritual value of the bathroom and the radio when these things are accompanied by national enthusiasm.

Unfortunately this national enthusiasm suddenly ceased in 1930. All Americans now doubt their leaders, their machinery of government, and the methods by which they are commanded. At the same time this condition of well-being that kept up the spirit of the humble has frequently given way to anxiety and in certain cases to poverty. The pioneer spirit that used to stimulate the crowds, the condition of well-being that stabilized them and made them proud have disappeared from the American scene and at the present time there remains only an incontestable spirit of conservation

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and resignation that is keeping the country in a state of peace but that is plunging wide masses of people into profound gloom and that is not protecting them at all from bitterness. By a tragic contrast the humble folk in the United States have simultaneously lost the products of their past labor and the means of finding remunerative, stimulating work. All observers agree that the most serious element in the American social crisis is not poverty as such, but the sudden collapse of the greatest element in American morality, work. Deprived of the joy and exaltation of work, the average American is losing his relish for life.

Unquestionably, he will have to learn again everything that the Old World had taught him and that he had chosen to forget, that complicated game we call the art of living that had been supplanted in the New World by the art of doing. The great crisis that America is undergoing does not mark the failure of American civilization but the end of an era and the termination of the colonizing period. The pleasure of installing one's self on new soil will no longer be enough to give the Americans all the pleasure that they need. Like Europeans, they will demand more complex and varied satisfactions.

Harold Laski on America

IN THE course of a review of *The History of the American Working Class* by Anthony Bimba, Harold J. Laski, formerly a member of the Harvard faculty and now a professor in the London School of Economics, discusses the future of the American labor movement as follows:—

The fact is that the American adventure has now become the classic illustration of capitalist operations, just as England was the classic illustration for Marx seventy years ago. It shows with unsurpassed clarity what occurs when the search for profit dominates all other motives in the community. It makes plain how the system of production shapes to itself the whole mental and social climate that it encounters. It emphasizes the certainty that the divorce of the masses from the ownership of the means of production has the inevitable result of stimulating what Mr. Bimba is entitled to call the class war in its typical form. And had he sought to widen the illustrative material with which he deals he might, I think, have fairly concluded that the American collapse since 1929 is not unlikely to become famous in future historiography as the supreme instance of a capitalism that is becoming, through its own inherent contradictions, its own gravedigger.

If the reader of Mr. Bimba's book sets it in a skeptical perspective, it will, I think, have two effects upon him. On the one hand, he will wonder at the ineptitude of American domestic statesmanship, which, with so magnificent an opportunity, has yet been content to repeat on a larger scale all the tragedies of European capitalism. On the other, he will be tempted to conclude that if ever the bankruptcy of laissez-faire as a social philosophy was demonstrated, America provides the supreme demonstration. A working class incapable of solidarity by reason of racial divisions and a pathetic confidence in its prospect of ceasing to be a working class; trade unions that have rarely been able either to dominate their trades, or to affect the outlook of the political parties; a governing class that dominated the legislatures, the courts, and the educational system; natural resources so great that, until quite recently, almost any taxation produced a budgetary surplus; it almost seems as though America was made to offer proof of the virtues of capitalism in action.

A German-American Writes Home

WRITING from Baltimore to his brother at home, a German-born worker describes present conditions in the United States. His letter appeared in *Der Abend*, official organ of the German Social Democratic Party:—

Dear Brother,—

You must want to know something authentic about the results of unemploy-

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ment in the U. S. A. In my opinion, our condition is not very different from your own, so far as I can judge from your letters and from newspaper dispatches. In many respects unemployment is worse here than it is with you because social inequalities are greater and extreme poverty is not checked by social laws in this country as it is in Germany. After four years of uninterrupted employment as a skilled, qualified worker, I have been reduced during the last month from fifty hours of work a week to twelve hours. This afternoon I spent my unwelcome leisure visiting an old fellow worker who was dismissed from our concern six months ago. Since that time he has worn himself out looking vainly for work. He has had to sell all his possessions, one after the other, his automobile being the last thing to go, and now he is begging, that is, he spends the day on the street corner selling apples.

Bank failures have reduced innumerable families to the most profound poverty, for the workers have not only lost their jobs but their savings as well. For years they laid by, a cent at a time, and when they needed this money it had vanished into the pockets of financial hyenas. You can imagine how bitterly the poor people feel about being plundered in this way. Unfortunately, they do not see the true relationship of things. Either they turn to the Salvation Army or some religious sect or else their anger moves them to join some anarchistic radical movement on which they turn their backs in disgust two weeks later.

You have probably heard more than we have about the dreadful conditions in the Kentucky mines, for the American newspapers simply do not mention such matters. Generally speaking, we learn about what has happened from the lips of miners who have fled from that district. Not long ago Kentucky was one of the richest parts of America, but the gasoline engine and electricity have reduced coal consumption to a quarter of what it used to be. Thus the coal magnates can treat the huge reservoir of labor exactly as they wish. They have defeated and dissolved the miners' unions and now the miners are discredited in the public eye. Hundreds of their leaders have been arrested, and the distressed workers have had to go back to their jobs at hunger wages. The reign of terror went so far that it even attacked churches and spiritual leaders that took the side of the workers. But who reads anything about these things in the newspapers, which consecrate long columns and whole pages to the most recent gang murder, to the latest film-star divorce, and to similar trivialities? As a result, the average American worker is utterly indifferent to politics and predisposed against proletarian solidarity. They are all petty bourgeois who want to become Rockefellers. Hunger demonstrations are looked down on by Yankee workers, who scornfully refer to the hunger marchers as 'hunkies,' meaning Hungarians, Russians, and other uncivilized peasants. You can therefore see that we are not so well off over here, and perhaps the time is soon coming when I should much prefer living in Germany to living in America.

With heartfelt greetings,
Your brother,

KARL

PRO-BRITISH AMERICA

LIEUTENANT COMMANDER J. M. KENWORTHY, a former Member of Parliament and an important figure in the British Labor Party, has recently returned from a visit to the United States where the thing that impressed him most was not the depression or the gangsters but the popularity of England. In the five years that have passed since his previous trip to the States he finds that an entirely new attitude has developed:—

Americans now see that the world's troubles are their troubles, that economic depression falls, like the rain of Heaven, on the just and unjust alike, including even the citizens of God's Own Country; and that economic laws are world-wide. The Americans I met, nearly all polite and charming people, were too courteous to say so openly but they certainly thought, until 1929, that Old England was 'played out.'

It's different now. We are looked upon as making a great fight against adversity, as

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showing courage and determination, characteristics that Americans admire. The struggle by our people to reconstruct the economic life of this country since we went off the gold standard has profoundly impressed the United States. Again and again, in talking to American economists and financiers on the great question of a future currency policy, I have referred to the advantages that would follow if the United States would frankly abandon the gold standard and join with us in an internationally managed currency. And again and again the answer has been made:—

'Ah, yes, if only we had the characteristics and courage of your people! If we could trust our public! But our people are so emotional and erratic that we feel we must remain anchored to gold at all costs.'

A third cause is the debunking of a lot of the romance and false sentiment about France, a result of war-time propaganda and much history teaching in the schools about French help during the American War of Independence.

A legend had grown up of France as a nation of chivalrous Don Quixotes, idealists, and fierce fighters for liberty and democracy. This bubble was pricked by the French haggling over the moratorium. The process of debunking went further when it was known, or supposed, that the French were using their strong financial position to threaten the stability of the gold dollar and to bring pressure to bear on the United States Government.

Whether these suspicions were well based or not, they infuriated the Americans. It will take France many years to undo the mischief that has been done. I found no actual hostility to Germany, but neither is there any particular friendliness. The Nazis have alienated much American opinion.

For all these reasons, therefore, the feeling in the United States is warm and friendly to this country, and would be more so but for Manchuria and Shanghai. Americans simply cannot understand the British attitude, or rather the attitude of the present British Government, toward the Asiatic problem. They regard us as being unnecessarily friendly to Japan, and as having weakened the League of Nations. Only among a few Wall Street bankers did I find any pro-Japanese feeling, but I found much repugnance and hostility toward Japanese actions and policies on the mainland of Asia. If there had been a deliberate policy in London of coöperation with Washington, and if there had been more boldness on the part of the British spokesmen at Geneva in standing by the Covenant of the League, American help could have been secured to the full, not only with regard to Asia, but in many other matters of importance.

It is not too late to secure this coöperation. But the British people should make it plain to the present Government that they would welcome Anglo-American coöperation to the full in economics, finance, disarmament, and the preservation of world peace. There would be a ready response. America is in the mood to coöperate now if only a little warmth and friendliness are shown. Such coöperation would have the most far-reaching and beneficial effects on world politics and trade, and might be the turning point on the road to world recovery.

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THE GUIDE POST
(*Continued*)

of Berlin, makes what are probably exaggerated statements about Kreuger's connections with Morgan and Rockefeller. His basic assumption, however, is correct—that the Kreuger collapse has been an important factor in our latest financial slump.

MORE of the Kreuger legend is being destroyed every day and it is now generally agreed that the man was a complete scoundrel. Dr. Richard Lewinsohn, former financial editor of the *Vossische Zeitung* and now its Paris correspondent, interprets Kreuger as a sign of the times, and though he may have overestimated the late match king's financial abilities he is certainly not wide of the mark when he says that Kreuger belongs in the same category with Hugo Stinnes and other plungers who were able to prosper under certain conditions but whose careers indicate that a system in which such things are possible is doomed.

OSCAR RYDBECK, an old friend of Kreuger's and a business associate since 1908, gives the most merciful interpretation possible. He maintains that Kreuger suffered from delusions of grandeur in his later years and that he was therefore virtually crazy. What the American bankers were who believed Mr. Kreuger's stories, Mr. Rydbeck does not say.

'CHARLIE CHAN' is the name given by American newspaper men to a Chinese machine-gunner who distinguished himself during the Japanese bombardment of Chapei. His own description of his exploits shows how hard it will be to find what William James called 'the moral equivalent' of war, for Mr. 'Chan' seems to have enjoyed the slaughter thoroughly.

AUGUST THALHEIMER, editor of *Arbeiterpolitik*, is one of the leaders of the Communist opposition in Germany and a former exchange professor to England. We discuss in a 'World Over' note the differences between his group and the orthodox Communists. Here we shall merely point out that he presents an objective analysis of the German presidential elections which leads him to conclude that the Hitler movement has by no means spent its force.

AS the leading Roman Catholic apologist in Great Britain and the converter of G. K. Chesterton, Hilaire Belloc is well equipped to discuss the conflict between man and the machine. Needless to say, he is more interested in human values than in mechanical perfection. His article was written to be broadcast on the radio and then appeared in that admirable weekly, *The Listener*, which is devoted entirely to material sent out by the British Broadcasting Corporation, a state monopoly.

ALICE SCHALEK, a Viennese lady who has visited many parts of the world, writes from Kenya in East Africa. This colony, which passed from German to English control at the end of the War, is now the scene of a dispute between the local white population and the British Government in London, which is trying to aid the blacks. Fräulein Schalek was chiefly impressed by the fact that the Africa of adventure exists only on the motion-picture screen and that the real Africa is just like California. In other words, Africa has moved to Hollywood and Hollywood to Africa.

WE want to call special attention to Léon Pierre-Quint's sketch of Valery Larbaud in our 'Persons and Personages' department. M. Pierre-Quint, the author of the best book on Proust yet written, describes Larbaud as one of the few living writers whose work will live. Incidentally, it was in Larbaud's Paris apartment that James Joyce completed *Ulysses*.

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WAR AND PEACE

LET us honor in all countries the glorious dead; let us not forget the youth of a generation that gave its life so gallantly for an ideal, whatever their country. Our business is not to renew the quarrels in which they died, but so to direct our thoughts and actions that no such ghastly strife shall be renewed.—*Sir Austen Chamberlain, former Chancellor of the British Exchequer.*

So long as the peace treaties remain unrevised and in their present form, there will be continuation of intellectual, emotional, and spiritual war, and there will be, in my opinion, no disarmament in Europe of any moment or of any worth.—*Senator Borah.*

As long as political nationalism rules, economic nationalism will also rule.—*Lucien Coquet, head of the European Customs Association.*

It is undeniable that world public opinion can wait no longer. It demands a clear statement of the fundamental position of each nation —and this not only in the field of disarmament —and rapid decisions, without which the world cannot achieve true stability and emerge from its present uncertain destiny.—*Dino Grandi, Italian Foreign Minister.*

International capital is the base not only of commercial relations between nations, but of the whole Occidental civilization. Every limitation of international trade endangers the achievements of civilization as well as political and economic peace.—*Professor Gaston Jèze of the Sorbonne.*

Is there a moment when the historical development of nations comes to even a temporary standstill? An attempt to settle international difficulties by the action of a court or by mediation will always be faced by the enormous difficulty of establishing what is the *status quo.*—*Dr. Richard von Kühlmann, former German Secretary of State for Foreign Affairs.*

Peace is menaced and must be defended vigorously. And, above all, allow me to say that I prefer using mountains of reinforced concrete as bulwarks to using the breasts of our sons.—*Edouard Herriot, leader of the French Radical Socialist Party.*

The tragedy of the Versailles Treaty lies in the fact that some nations thought they could secure for themselves all good fortune, while all misfortune was to be left to the defeated. This false and unnatural conception of peace has been proved completely wrong by post-war events. Unless there can be a change the world will ever be pushed deeper into the horrible misery known as the economic crisis and unemployment.—*Chancellor Heinrich Brüning of Germany.*

The laboring masses as well as the representatives of the bourgeoisie know that wars are prevented by the existence of the Soviet Union. Let the world know that the Red army will never threaten anyone but will continue to watch events and be where it should be when necessary.—*War Commissar Voroshilov of Russia.*

We have tardily realized that the blood and treasure wasted in civil warfare in the last five years, if it had been conserved, would have enabled us to fight the foreign foe. Henceforth, the only military activity will be directed against the Communists.—*Official statement by the Nanking Government of China.*

Japan is not preserving Manchuria so much as a vent for population as to save it from coming under the control of her probable enemies. It is not a country where many Japanese are likely to immigrate, because the habits of the population are not agreeable to the Japanese. Japan is determined to keep Manchuria free from Chinese militarism and from the territorial ambitions of all external powers.—*Hidejiro Nagata, Mayor of Tokyo.*

It is perfectly clear that the campaign of anti-Soviet military propaganda now being carried on in Japan aims at preparing Japanese public opinion for a further extension of military aggression. We declare for all to hear that the Japanese people are being duped in order that they may be led with bandaged eyes into new catastrophes.—*'Izvestia,' Moscow daily.*

General Honjo told me that Japan was fully prepared to resist Russia in the north with the full strength of the Japanese army, and to resist America to the east with the full strength of the Japanese navy. All schemes and plans for defense against Japan's two major potential enemies have been worked out and are ready to be made immediately effective in case of necessity.—*General Ma Chan-shan, Chinese military leader in Manchuria.*

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